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Trade Ban On Iran Gets Cold Shoulder From Allies

Europeans Call Move Counterproductive; Tokyo Awaits Details

By Fred Barbash
Washington Post Service

LONDON — President Bill Clinton's proposal for a trade ban on Iran received on Tuesday at best a cold reception — and in some cases outright rejection — from allies who trade with Tehran.

French, German and British officials said that sanctions were the wrong approach, saying they preferred what they called "critical dialogue."

Japan, in the most receptive reaction, said it would study the idea.

And privately, diplomats were even more blunt, saying that Iran's trading

Under pressure on Iran policy, Clinton goes out on limb. News Analysis, Page 6.

partners in Europe and Asia have no interest, either commercial or political, in broad sanctions and regard them as counterproductive.

Without cooperation, the trade ban announced by the Mr. Clinton on Sunday night is unlikely to have any significant impact.

"The United States is out on a limb alone," said Vahe Petrossian, an expert on Iran with the Middle-East Economic Digest here.

Mr. Clinton, labeling Iran a threat to peace in the Middle East and a major sponsor of terrorism, announced in an address to the World Jewish Congress that the United States would ban all trade with Iran.

The U.S. will press its allies over the next few weeks to review their traditional opposition to sanctions and join the embargo. Reaction on Tuesday suggested that Mr. Clinton would not have to wait that long.

"We do not believe in unilateral embargoes," said the French foreign minister, Alain Juppé, at a news conference in Paris.

The German foreign minister, Gerhard Rexrodt, said in an interview on German television:

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Residents of Zagreb rushing past a victim of the Serbian missile attack that terrified the Croatian capital on Tuesday.

Robert Raps/Agence France-Presse

FBI Arrests 2 in Oklahoma Bombing

Compiled by Our Staff From Dispatches

OKLAHOMA CITY — Federal agents on a nationwide manhunt for suspects in the Oklahoma City bombing arrested two men at a Missouri motel Tuesday, including a square-jawed figure resembling the man in the "John Doe" sketch.

Gary Alan Land and Robert Jacks — subjects of an FBI all-points bulletin issued Monday — were arrested at daybreak without incident as material witnesses in the April 19 bombing after their car was spotted in the motel parking lot in Carthage, Missouri.

In Washington, Attorney General Janet Reno said the men were believed to have information about the bombing and were cooperating with investigators.

Asked if the square-jawed Mr. Land could be the muscular, tattooed "John Doe 2," the second suspect in the nation's worst terrorist attack, an FBI spokesman, Dan Vogel, said: "We don't know that. We have not determined whether he is or not."

But later in the day, a law enforcement source in Washington, speaking on condition of anonymity, said federal investigators were considering releasing Mr.

Land and Mr. Jacks because authorities were having trouble finding a legal basis on which to hold them.

However, some of Mr. Land's movements appear to have paralleled those of Timothy McVeigh, the first suspect arrested in the attack.

The FBI captured the two men after evacuating other guests at the motel, staking out the place overnight and phoning their room at daybreak. The men walked out and surrendered.

At midday, the FBI waited for the

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A U.S. About-Face on Cuban Immigrants

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — A seeming thaw emerged Tuesday in relations between the United States and Cuba as the longtime bitter rivals jointly agreed to steps to "regularize" their migration policies.

Washington, in a full about-face, said it would allow 15,000 Cubans to enter the United States from "safe haven" detention camps at the U.S. Navy base at Guantánamo Bay, on the island of Cuba.

The administration had previously refused to allow the Cubans to enter the country and had instead sent them to the Guantánamo Bay base.

Cuba agreed to accept all Cuban nationals in Guantánamo who wish to return home, as well as those previously deported from the United States and those with criminal records. The Cuban government promised no reprisals, and Attorney General Janet Reno said Havana could be trusted.

A senior State Department official cautioned that the "overall relationship" be-

tween Cuba and the United States was not affected by what he called a "narrow" agreement.

Any new illegal boatlift or effort by Cubans to traverse the Straits of Florida will result in seaborne refugees being returned directly to Cuba and given an opportunity to apply for visas to the United States, Ms. Reno said.

"Cubans must know that the only way to come to the United States is by applying in Cuba," she said. However, any Cubans who reach Florida illegally will be given an opportunity to apply for asylum, the attorney general said.

She added that Cuba had promised "that no one will suffer reprisals, lose benefits, or be prejudiced in any manner, either because he or she sought to depart irregularly, or because he or she has applied for refugee status" at a U.S. office in Cuba.

In addition, Cuba has agreed to permit U.S. officials to monitor the treatment of those returned to Cuba.

The 15,000 Cubans expected to immigrate will nearly fill a quota of 20,000 that

Washington had promised President Fidel Castro of Cuba would be allowed into the United States. That deal was struck earlier this year to deter another influx of boat people.

Last year, an estimated 35,000 desperate Cubans tried to reach the United States on makeshift rafts and rickety boats. President Bill Clinton, trying to halt the flow, declared that all would be sent to camps at Guantánamo Bay and not permitted to enter the United States.

By last fall, 30,000 Cubans were being detained there, and others were sent to similar camps in Panama.

Pentagon officials, however, were worried about the \$1 million-a-day cost of running the camps and expressed concern that rioting could break out among the captive detainees, most of whom are young men.

About 21,000 refugees are being held at Guantánamo. Ms. Reno indicated that about 15,000 of them would be processed for entry to the United States over the next several months at the rate of 500 a week.

Korea and Japan: A Legacy of Tragedy

By Sheryl WuDunn
New York Times Service

SEOUL — Park Je Mun remembers that as a young child, during the Japanese occupation here, he was so hungry that he used to tear the bark off trees to add to the dinner's gruel.

And though he is fluent in Japanese, using it brings back painful memories of being beaten for using his Korean name, forbidden to speak Korean at school and

forced to donate family possessions to the Japanese military.

"All I spoke was Japanese, otherwise I was beaten," said Mr. Park, who reluctantly wrote on a piece of paper the Japanese name, Haruo Kiyomura, that he used for years.

"After liberation, we hated the Japanese so much we took all the Japanese books and burned them," he said.

There is no country so envied yet so reviled in South Korea as Japan. Tensions between the two lands stretch back to the 16th century, when Japan first invaded Korea, but preparations for the 50th anniversary of the end of World War II are reviving much of the anger and confused emotions that Koreans have held in recent decades against the Japanese.

Here, as in China and the Philippines, the Japanese colonists are sometimes remembered as the Nazis of Asia.

They forced Korean men into manual labor in dangerous coal mines and elsewhere, where they virtually stamped out Korean culture, they forced Asian women into sexual slavery and they conducted gruesome experiments on innocent Chinese victims.

Koreans still speak of the Japanese as dwarfs or cloven-footed people and insist on referring to the East Sea, the body of water that most of the world calls the Sea of Japan.

Japanese cars are also banned, though this may be related more to trade imbalances and economic rivalry.

South Korea also essentially bans Japanese popular cultural icons, like films, videos, music and comic books.

Korean authorities argue that its citizens, as well as the local industry, are not yet ready for a Japanese cultural invasion, and they cite a government-sponsored Gallup poll that said 84.2 percent of those surveyed were "generally negative toward opening up to Japanese popular culture."

"In politics and the economy, South Korea and Japan are the closest of allies," said Kim Yong Moon, a senior official at the Ministry of Culture and Sports, who also was forced to take a Japanese name during the occupation.

"But there are such sad and tragic feelings between the people of the two countries," he added. "For the majority of people, it is hard to accept Japanese popular culture."

When the Japan Cultural Center organized an exhibit of traditional Japanese crafts last fall in Seoul, South Korean protesters damaged some of the display cases. The exhibit closed for a couple of weeks.

The most vocal opponents of Japanese cultural imports are the Korean women who were forced to become sexual slaves to Japanese military men.

Perhaps as a symbolic cleansing, the government in March began its \$6 billion program to demolish the former Japanese headquarters, now the National Museum of Korea, that the Japanese military constructed inside a Korean palace.

While some see it as a necessary purging of Japanese domination from the national psyche, others say they think the museum should remain as a reminder of the crimes the Japanese committed against the Koreans.

| Dow Jones | Trib Index |
|-------------------|------------|
| Up 12.80 | Up 1.08% |
| 4328.88 | 122.00 |
| The Dollar | |
| DM 1.3723 | 1.3905 |
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| Italy | 2.600 Lira Tunisia |
| Ivory Coast | 1.20 CFA Turkey |
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| Lebanon | U.S. 1.50 M. (Eur.) 1.10 |

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Mr. Jospin, left, and Mr. Chirac facing each other as moderators looked on before the debate began Tuesday night.

No K.O. Punch as Chirac and Jospin Spar

By Joseph Fitchett
International Herald Tribune

PARIS — In a televised debate billed as the defining moment of French presidential election, Jacques Chirac and Lionel Jospin spelled out contrasting programs aimed at restoring economic momentum and political confidence in a nation that both candidates described as troubled.

In hammering at the theme of change, both men stuck closely to their main campaign themes, frequently engaging in long exchanges on technical points, including tax reforms, that sometimes made the debate resemble an academic seminar.

It was the first and only direct debate between the two rivals before the runoff Sunday, and neither man seemed to deliver a knockout blow to his rival — or a com-

pelling performance likely to give a broad lift to his appeal.

Mr. Jospin, 57, a former Socialist education minister mounting his first national campaign, appeared personable and credible as a challenger to Mr. Chirac, the conservative mayor of Paris and former prime minister who is considered the front-runner.

At moments, Mr. Chirac, 62, appeared to alternate between his new image of restraint and his reputation as an impulsive man who gives voters the impression he might overreact in a crisis.

But Mr. Chirac hammered at his opponent as a new defender of Socialist ideas, including a half-to privatization that would slow economic growth and lock France into a continuation of the current

standoff between a leftist president and a conservative Parliament.

Mr. Chirac called for sharp cutbacks in the size and role of government, including the French presidency, which he compared to a disguised monarchy because of the way recent leaders had abused their sweeping powers. His main thrust was a call for less government to allow French entrepreneurs to create more prosperity.

Mr. Jospin argued, often with lively clarity, that Mr. Chirac, despite his claim to be a reformer, remained a figure wedded to a political past. Mr. Jospin proposed radical changes, including a shortened work week and higher government spending, to restore social harmony in France.

On the future course of European integration, Mr. Chirac rejected assertions that

See DEBATE, Page 7

St. Louis

On the New Silk Road/Junction of Chaos and Poverty

A Caravan of Drugs Crosses Wilds of Central Asia

By Michael Specter
New York Times Service

OSH, Kyrgyzstan — Compared with the mysterious bazaars that brought wealth to this Central Asian region more than 2,000 years ago, when exotic spices and precious bales of silk were ferried on the backs of camels, the market here seems pretty tame.

Old men sell sugar from the trunks of rusted cars. Women gather bread in the folds of their skirts, and the smells of grilled lamb fill the air.

But something else is going on here in southern Kyrgyzstan these days, something communicated mostly in quick nods and furtive glances.

Os is rapidly becoming the best place in the world to buy opium, the hub of a newly resurgent Silk Road, perhaps history's most famous highway.

The route that wound for 8,000 kilometers (5,000 miles) from China across vast steppes, through the mountains of Afghanistan to the open ports of the Mediterranean has now reopened for a compelling reason: It now carries an ever-growing caravan of drugs through the damaged, lawless and often ungovernable countries of Central Asia.

Propelled by the dissolution of the Soviet Union in 1991, economic and political chaos, civil war, borders that cannot be controlled and the aggressive anarchy of Afghanistan — which many narcotics experts now estimate is quickly becoming the the biggest grower of opium in the world — this rugged, often unassimilable region has become the ultimate drug runners' dream come true.

"What is happening in these countries is a nightmare," said Victoria Goh, deputy director of the UN Drug Control Program's regional office in nearby Tashkent, Uzbekistan.

"There are hundreds of little mountain passes and roads that cannot be guarded," she said. "There are almost no effective borders. There are no incentives to stop the traffic. And the confusion and poverty in this part of the world is so great that I don't see any way anything is going to improve soon."

THE tide of drugs sweeping across these struggling new countries presents major problems not just for them, but also for the European countries that have become the destination for the opium grown here. And as bad as the drug problem has become, the political troubles they cause are worse.

Central Asia is a fragile region, politically weak but strategically important. As corruption and ethnic violence take hold, larger neighbors — especially China, Russia, Turkey and Iran — have become increasingly nervous.

Indeed, the opium pouring out of Afghanistan has not only affected this region, but has also worried politicians in the world's largest heroin-consuming nation, the United States.

At the same time, crackdowns elsewhere have only added to the region's drug problems. Pakistan and Iran have recently started to get tough on poppy growers and heroin manufacturers, thereby diverting the river of opium, and turning Central Asia into an even more essential transit point for the thousands of tons that are produced each year.

On the new international drug highway, all roads seem to lead from Osh. Fewer than 500 kilometers from the Afghan border, and less than a day's drive from each of five other Central Asian countries, the city has become the bustling dispatch point for routes that spin north toward Russia, east to Asia and west to Europe, through the legendary city of Samarkand, where money was once measured in ounces of silk, not in tons of opium.

The economics of this mostly Muslim part of the world are stark. The average monthly salary for a working man in Kyrgyzstan is about \$35, half what a boy of 10 can earn in a few hours guiding a horse laden with drugs through a mountain pass.

One Pahi/The New York Times
A policeman removing handcuffs from a truck driver in Osh so he could help search for drugs. The area has become an opium hub.

Raw opium has quickly become a bread-basket commodity in this rural land of 4.5 million people: Farmers can swap 10 kilograms of flour for a rich chunk of the drug the size of a jumbo chocolate bar. It can also be bartered for peanuts, canned goods, cooking oil, lamb or cognac.

"I have replaced every one of my officers," said Bakirdin Subunbekov, chief of the Osh police, which must fight the flood of drugs and corruption in a city of 500,000 with three Russian-made jeeps, a few guns and one walkie-talkie.

"I picked the new men myself," he said. "They were trained in secret. They are 29 good honest men, but they earn \$45 a month. They have families. You can figure out the rest."

A pound of pure opium gum — available to anyone who shows an interest — costs less than \$400 in the Osh market, much less for shoppers willing to buy in bulk. The same amount costs three times as much in the Kyrgyz capital, Bishkek, which may help explain why it is sold openly there by senior members of the police force.

THE price nearly doubles again when those drugs arrive in Samarkand, hundreds of kilometers away in Uzbekistan. By the time the opium reaches its main destination in Moscow, where it is often refined into heroin, the opium costs at least \$1,000 a kilogram (\$5,000 a pound).

"One look at a map and you can see it all," said Henry Lee Clarke, the American ambassador to Uzbekistan, which has the toughest drug laws in Central Asia. "This problem is beginning to get out of control. Those drugs are mostly grown in Afghanistan. But they just can't get where they are going unless they come through here."

The business of drugs goes against every economic trend in the region. World opium production has doubled in the few years since the Soviet Union collapsed, according to the United Nations-sponsored International Narcotics Control Board in Vienna.

In 1993, a record eight tons of heroin was

seized in Europe. The 1994 figures, while not yet final, may be twice that, according to the United Nations.

While most of the increased production took place in Afghanistan and Pakistan, this is where drug dealers ship it these days — even more than that: originating in Burma or Thailand.

That is largely because the commerce carries few risks. Even in Uzbekistan, where the death penalty has just been introduced for drug dealers, almost everyone in the business pays someone to protect them.

Geography, economy and political chaos have rarely been joined in more perfect union. In Kyrgyzstan, the 1994 per capita income was \$300, 60 percent of what it was in 1991. The figures are only slightly better in Uzbekistan, and anarchy and war have taken root in Tajikistan, which shares some of the world's best poppy fields with its neighbor Afghanistan.

Industrial production in these mountainous, beautiful and remote former Central Asian republics (which also include Kazakhstan and Turkmenistan) averages less than half of the Soviet-era figures. Real unemployment in the region, according to estimates by the World Bank, stands at 35 percent.

"Drugs are what works in this country," said Tafone Kassymbekovic, deputy chief of the anti-narcotics division of Kyrgyzstan's Interior Ministry. "They solve every problem. People are using them more, growing them, importing them and exporting them. If you have enough money, you can pay Russian border guards to deliver your opium in helicopters."

It is an assertion heard frequently in this part of the world, but one that Russian officials deny. Dozens of laboratories that turned poppies into bricks of raw opium or even into heroin have been shut down in Kyrgyzstan in the last two years. But many more go undetected, officials here concede.

For the first time this year, both the Uzbek and Kyrgyz authorities seized several pounds of locally made heroin in what is seen as a troubling trend.

They are loaded on private planes, military planes or even commercial flights. The United Nations has tried to help by supplying money for guard dogs, training of border guards and by buying a few cars for local police forces.

But they are fighting forces that have far more incentive and much more money.

In the past, opium was always shipped elsewhere, to places like Pakistan, elsewhere in Asia or Europe, for most such refining. But all that is rapidly changing. International law-enforcement agencies now estimate that there are hundreds of such labs spread across the region, although most of them are based in Afghanistan and Tajikistan, the two countries where poppy plantations have grown the fastest.

WITH a combined surface area that is almost twice the size of Europe and some of the most poorly organized and corrupt police forces in the world, Central Asia offers drug traffickers the uninterrupted obscurity they need to flourish.

It is not even possible to gauge with certainty how much opium is grown in the remote hills here, though estimates are becoming more accurate through the use of satellites. There are seven major mountain passes on the Kyrgyz border that lead from Khorog to Osh, and dozens of minor branch roads that only highly sophisticated and expensive helicopter surveillance could monitor.

But the United States and other Western governments have not yet committed the kind of money to these countries that they put into Colombia or Thailand.

When the rivers of southern Kyrgyzstan freeze in the winter, children walk across them with bundles of opium poppies strapped to their backs. Old women hide hundreds of pounds of poppies on their farms for small fees. Once the drugs are collected, turned into opium gum and taken safely out of Afghanistan, couriers carry them to Osh or Dushanbe, the Tajik capital.

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Chechens Step Up Offensive Before Yeltsin Ceremony

By Lee Hockstader
Washington Post Service

land, France, Germany and other nations in attendance.

The raids in the last few days, including concentrated attacks by rebel bands on Russian troops in Grozny on Sunday and Monday nights, were further evidence of how far the Russians have to go before they can claim victory in the costly Chechen campaign.

Although the Russians have been hammering them with artillery and air power for months, tough, well-motivated rebel fighters are still active in lowland towns east, west and especially south of Grozny. They remain perfectly able to mount nighttime attacks on Moscow's troops.

The attacks by the rebels, who staged hit-and-run strikes in and around the Russian-controlled capital, Grozny, seemed designed to embarrass Moscow a week before 50 national leaders, including President Bill Clinton, are to arrive to celebrate the 50th anniversary of Russia's victory over Nazi Germany in World War II.

The Chechen leader, Dzhokhar Dudayev, who is a retired Soviet Air Force general, has publicly rejected Mr. Yeltsin's unilateral cease-fire declaration and appears determined to use the ceremonies in Moscow as a means to draw attention to the war in Chechnya, which has been going on for almost five months.

The Echo Moscow radio station, quoting Chechen military sources, said the rebels planned to strike at targets in Grozny on May 9, just as the festivities began in Moscow with the leaders of the United States, England and France, Germany and other nations in attendance.

In one incident Monday night, at least three Russian Interior Ministry soldiers were killed and eight were wounded when their armored column was ambushed as it entered Grozny.

In all, Russian positions came under rebel fire 35 times on Monday alone, a Russian military spokesman told the Russian Interfax press agency.

TRAVEL UPDATE

Eurostar to Increase Channel Service

LONDON (AP) — The frequency of Eurostar trains operating through the Channel tunnel will be increased starting May 29, the British arm of Eurostar said Tuesday.

Eurostar service between London and Paris will increase to seven trips a day from six, while the London-Brussels frequency will rise to five from three. European Passengers Services said. Starting July 3, nine of the high-speed Eurostar trains will run between London and Paris, and 10 on Fridays. Also on May 29, connecting services for the Eurostar trains will start from Scotland, the northwest of England and the Midlands. Next year, Eurostar trains will run directly from those places to Paris and Brussels.

Eurostar has been operating full, fare-paying services since November and has so far carried 750,000 passengers. European Passengers Services is conducting an £11 million (\$12 million) advertising campaign to encourage tourists to use the train during the summer holiday season. Meanwhile, an investigation was under way after a passenger door broke off a car-shuttle train in the tunnel, in the first such incident since the cross-channel service was opened. A Eurostar passenger train ran over the door and a freight shuttle later hit the door. The incident caused delays of more than three hours. There were no injuries.

Continental Airlines has reduced fares for summer travel by up to 35 percent on certain U.S. and international routes. Tickets must be purchased by May 10, and trips must be taken by Sept. 15. The lowest fares are available for travel Tuesday through Thursday. For example, a \$109 fare is available each way from Cleveland to Phoenix, Arizona, \$58 less than the regular discount fare of \$167 each way. Continental said that the discounts apply to round-trip travel only, and that tickets must be purchased 21 days in advance. They are nonrefundable and require a Friday or Saturday night stay.

Americans have been advised to avoid travel to Croatia and to consider departing if living there. A State Department travel warning noted that the U.S. government had no information about specific threats, but said: "U.S. citizens should be aware of the potential for retaliatory attacks throughout Croatia and should maintain an appropriate security profile." (Reuters)

Airlines Work on 'Ticketless Travel,' an Idea Whose Time May Have Come

By Barry James
International Herald Tribune

PARIS — The familiar airline ticket, a bunch of coupons stuck together, may be headed for extinction.

In a move to cut costs and, they affirm, to please travelers, several airlines are moving to

ward what they call "ticketless travel," a trend that experts say will rapidly gather ground once carriers can agree on a set of common standards.

John Edwison, the president of United Airlines, said that handling a paper ticket manually costs about \$8. Transacting the booking electronically costs about 45 cents.

If that saving could be multiplied by a substantial proportion of the 74 million passengers the airline carried last year, the savings could have been in the tens of millions of dollars — an obviously attractive advantage in a tightly competitive market.

As part of its \$2 billion cost-saving program, United introduced ticketless travel a few months ago on its low-cost, low-frills shuttle subsidiary, which has 378 daily departures

between 16 pairs of cities on the West Coast. It has also introduced it on several prime business routes out of Chicago.

Passengers can call for a booking and pay for the fare with their credit card. The airline mails a receipt but no ticket. When the travelers arrive at the airport, they go straight to the departure gate and pick up a boarding card.

"Passengers seem to like it," said Joe Hopkins, a United spokesman in Chicago. "We don't get a lot of complaints."

United is one of several carriers in the United States — including Delta, USAir and Southwest — cooperating with a task force set up by the Air Transport Association in Washington to define common standards. Once this is achieved, passengers will be

able to switch or "interline" from one airline to another.

Airlines will be able to reconcile their accounts electronically, as banks do, rather than shuffling ticket coupons at processing centers.

"It's a coming reality," according to Chris Chiamies, an association spokesman, who said the task force is expected to finish its work this summer.

"Having the standards will facilitate growth," he added.

Mr. Hopkins said United said people happily book rental cars and hotels without obtaining a piece of paper, and would soon adjust to the idea of going to the airport without a ticket in their pockets.

The basic technology for ticketless travel has been around for a long time. Banks use it every day. That it had not

before been used by an airline, Mr. Hopkins said, was because "management had never focused on it. It had never come to the fore. But when we were looking for ways to reduce costs, this seemed like an obvious target."

The airline that gets it right, he added, will have an enormous cost advantage over its rivals.

A spokeswoman for American Airlines, Teresa Hansen, said the word ticketless is a misnomer. On anything more complicated than the shuttle and point-to-point flights passengers will still need some identifying document, even if airfares reap the benefit of electronic processing.

"The technology is there," she said. "The question is, what do we want to do with it?"

"We don't have to track it," the employee said. "And billing

is more expeditious, since the card charges the travel directly to the customer's credit card company."

Delta considers its initial experiment so successful that it will soon expand it to about 5,000 regular passengers, which they will select from its frequent-flier group or from large corporations to which it counts. The airline claims that it takes only five seconds to create a reservation with the card, compared with several minutes at ticket-issuing machines.

In the experiment, an employee at the airport registers the card electronically for the passenger and delivers a receipt. The airline creates savings by taking the ticket out of the system.

"We don't have to track it," the employee said. "And billing

is more expeditious, since the card charges the travel directly to the customer's credit card company."

Southwest Airlines, for example, is planning to put an electronic ticket counter on the Internet's World Wide Web, enabling customers to book and pay for travel and print out confirmations and an itinerary.

So far, abolishing tickets has been confined to shuttle or point-to-point routes. It will be some time before it is established generally or on international flights. But the airlines say that if electronic ticketing becomes widely adopted in the United States, it will be only a matter of time.

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THE AMERICAS

POLITICAL NOTES

White House Denies Gingrich Dare

WASHINGTON — A defiant White House spurned an invitation by the House speaker, Newt Gingrich, to propose ways of restructuring Medicare and said the Republicans in Congress must first specify how they intended to reconcile their promises to balance the budget and cut taxes.

President Bill Clinton's chief of staff, Leon E. Panetta, said Monday that the administration was not interested in any plan to shore up the Medicare trust fund unless it also made comprehensive improvements in the nation's health-care system and provided coverage to some of the 41 million Americans who now have no health insurance.

Mr. Panetta's comments escalated the political conflict over Medicare, the federal health insurance program for the elderly and disabled, just as the 1995 White House Conference on Aging was to begin. The White House and the Republicans both seem to be assuming that whoever first specifies cuts in Medicare will suffer severe political damage.

Mr. Panetta, a former chairman of the House Budget Committee, summoned reporters to his White House office Monday afternoon and declared that the Republicans "have, to some extent, painted themselves in a corner by promising what they can't deliver."

(NYT)

Something Fishy at Agriculture?

WASHINGTON — The Justice Department has launched a criminal investigation into allegations that senior Agriculture Department employees illegally raised campaign funds from co-workers to support Mr. Clinton's 1992 presidential bid and that donors were subsequently rewarded with more desirable jobs.

In addition, the House Agriculture Committee chairman, Pat Roberts, Republican of Kansas, has informed Justice officials that he planned to hold oversight hearings this summer to explore whether the fund-raising violated federal laws and whether any employment moves under the Democratic administration had been linked to the contributions.

The proceedings could pose a new ethical embarrassment for an administration that already faces investigations by three court-appointed independent counsels.

(LAT)

Pete Wilson's Nonspeaking Role

WASHINGTON — Casting himself in the unaccustomed role of "nonspeaking politician," Governor Pete Wilson of California appealed to members of a conservative group to support his presidential campaign.

But the usually garrulous politician let his new campaign chairman, Craig Fuller, do almost all the talking Monday.

On doctor's orders to keep quiet while recuperating from minor throat surgery two weeks ago, Mr. Wilson chose his words carefully — and sparingly. "This is very strange and very frustrating," he said.

(NYT)

'94 Race Broke Spending Records

WASHINGTON — The Federal Election Commission says more money was raised and spent in last year's congressional races than ever before.

Candidates raised \$740.6 million and spent \$724 million, breaking the records established in both categories during the 1992 election cycle. According to the commission, candidates raised 12 percent more in the 1994 cycle than they did in 1992, and spent 6 percent more.

Democratic fund-raising and spending went down, but Republican increases more than made up for it. In Senate races, Republican candidates raised \$183.5 million and spent \$180 million, compared with the \$134 million raised and the \$136 million spent by Democrats.

(AP)

Quote / Unquote:

Mr. Gingrich, on Republican promises to balance the federal budget: "What we will do, no matter how bad the demagoguery, no matter how dishonest the attacks, we are not going to back off from this commitment and say, 'Let's not balance the budget, it's too scary.'"

(NYT)

Church Taken for \$2.2 Million**Episcopalians Say Ex-Treasurer Shifted Funds**

By Laurie Goodstein
Washington Post Service

WASHINGTON — The former treasurer of the Episcopal Church's national office in New York embezzled \$2.2 million over the last five years while the church was slashing its staff and programs because of budget shortfalls, according to a church investigation.

Ellen F. Cooke, the former church official, allegedly spent the money on a farm in Virginia, a house in New Jersey, private school tuition for her sons, and jewelry, clothing, meals and trips for herself, family members and friends, according to the church investigation.

She now lives in McLean, Virginia, a Washington suburb, where her husband, Nicholas St. John's Episcopal Church.

Mrs. Cooke, in a letter to the church's executive council made public by her attorney, blamed her actions on a psychiatric "breakdown" caused in part by workplace stress and the pain, abuse and powerlessness she has felt as a lay woman on the senior church staff. She said that any misdeeds were "blocked from memory."

"It would be difficult for me to describe the sense of betrayal that I have felt over these last few months," said Bishop Browning, national leader of the 2.5 million-member denomination.

"Funds taken from us were meant to serve the least of us. I had many painful thoughts about how these funds would have been used had they been available, and who would have been ministered to in the name of Christ," he said.

The national staff of the Episcopal Church has been cut by a third since 1991, and many programs have been dropped or reorganized. Mrs. Cooke took money from unrestricted trust funds, but did not touch funds

ing, presiding bishop of the Episcopal Church, said that he would decide by June whether to recommend prosecution.

A national church spokesman, James Solheim, said that because the church investigation did not examine whether Father Cooke was implicated in his wife's misdeeds, "any statement about his exoneration would be presumptuous."

The Episcopal Church has already secured title to the Cooke's house and farm, and put the properties up for sale, Bishop Browning said in a statement Monday. The church will continue to work with Mrs. Cooke's attorneys to recover further assets, and has insurance that will cover about \$1 million of the loss, he said.

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The national staff of the Episcopal Church has been cut by a third since 1991, and many programs have been dropped or reorganized. Mrs. Cooke took money from unrestricted trust funds, but did not touch funds

earmarked for specific charitable purposes.

Mrs. Cooke was one of the most powerful officials in the national church, and her salary, at \$125,000, was second only to the presiding bishop's. Church insiders say that over the years she had drawn the ire of some staff members and elected committee members for her autocratic management style.

Bishop Browning backed her until last December, when he asked her to resign because "her working style did not well serve our common mission."

The national church discovered the misappropriations because, on her dismissal, she aroused suspicions by ordering a co-worker to issue her a check for more than \$86,000 in vacation and back pay.

The church then hired the accounting firm of Coopers & Lybrand to pore through its records. A three-month investigation found that, beginning in 1990, Mrs. Cooke had deposited \$1.5 million into her personal bank accounts, "systematically" diverting money that was supposed to be transferred to church accounts.

In addition, she allegedly wrote \$225,000 worth of checks from church accounts to third parties such as her son's school, and to the vestry and rector's discretionary fund at St. Luke's Church in Montclair, New Jersey, where her husband was rector. In addition, she wrote a total of \$28,000 in checks to herself, the auditors found.

Away From Politics

• New trials were ordered for two persons convicted in the Little Rascals day care sex abuse case in North Carolina. In a unanimous opinion, the state Court of Appeals ruled that the court that tried Robert Kelly Jr. erred in allowing the parents of the alleged victims to testify.

(AP)

• A judge entered a not-guilty plea on behalf of a Wisconsin laboratory, Chem-Bio Corp., charged with homicide in the cancer deaths of two women whose Pap smears were misread. District Attorney E. Michael McCann said the women were victims of indifference and blatant error.

(AP)

• The magazine publisher Bob Guccione said he would publish the Unabomber's manifesto and put his public relations team behind the effort "in order to save lives." The chairman of General Media International, which publishes Penthouse and *Omni*, urged the mail-

FBI Rejects Charges of Atom Aid To Soviets

By David Streitfeld
Washington Post Service

WASHINGTON — The FBI does not have "any credible evidence" that four top scientists on the Manhattan Project, which developed the U.S. atomic bomb, secretly helped the Soviet Union 50 years ago, according to the FBI director, Louis J. Freeh.

In fact, he said in a letter, the bureau has classified information "that argues against" the allegations made last year in "Special Tasks" by a former Soviet spy master, Pavel Sudoplatov.

The book caused a furor by asserting that Niels Bohr, Enrico Fermi, Robert Oppenheimer and Leo Szilard provided the Soviets with information for their atom bomb program.

The FBI reviewed its files at the request of the President's Foreign Intelligence Advisory Board. At a press conference Monday, Les Aspin, the board chairman, cautioned that "this is not proof."

"The issue," he said, "is proving a negative, and it's very difficult if not impossible to prove a negative."

Mr. Aspin said he had reviewed the FBI's analysis, but was not authorized to describe material it was based on. Pressed for at least an example, he mentioned classified "lists of names of people who helped in developing the nuclear capability of the Soviet Union."

If the four scientists "were wittingly involved in espionage, you'd expect their names to be there and they are not," Mr. Aspin said. He suggested that Mr. Sudoplatov, who as director of the Administration for Special Tasks supervised part of the intelligence apparatus, had confused code names and identities.

Jerrold Schechter, a former Time magazine Moscow bureau chief who was one of Mr. Sudoplatov's co-authors, was at the press conference and was not convinced. "Isn't the FBI itself an interested party in this investigation?" he asked, noting that Mr. Sudoplatov's version of events clashed sharply with the accepted histories of the time.

"Why can't these materials be declassified 50 years later?"

WASHINGTON — Blending poignant details of a life in medicine with a firm defense of his integrity, Dr. Henry W. Foster Jr. tried Tuesday to salvage his nomination as surgeon general.

"I am a doctor who delivers babies," he told a Senate committee eager to question him about abortions.

After two months of controversy, Dr. Foster slid into the witness chair with a pledge to "set the record straight." He conceded earlier underestimating the number of abortions he performed in four decades as an obstetrician, but said it was an "honest mistake" made without a complete review of the records.

"There was never any intent to deceive," he said. "I had no reason to do so."

With all seven Democrats on the Labor and Human Resources Committee expected to support the nomination, Clinton administration officials pinned their hope for approval on three uncommitted Republicans, including the chairwoman, Nancy Landon Kassebaum of Kansas. That would only move the 61-year-old former medical school dean over the first hurdle, though.

Mr. Kennedy later held up a framed copy of a letter that President George Bush had sent Dr. Foster bestowing a "Point of Light" citation on the pregnancy program.

Under prodding from Mr. Kennedy, Dr. Foster recalled conditions in the Tuskegee, Alabama, area where he practiced as a young obstetrician. "I have worked 40 hours straight and got not one wink of sleep," he said. Busy doctors in some locations might deliver 250 babies a year, he added, but in one year in Alabama he delivered 2,300.

Some Democrats believe they will benefit politically if the Republican-controlled Senate can

abortion cases." Dr. Foster said. Last winter, he testified that he had performed only one such operation, and they said abortions he performed numbered fewer than a dozen.

"I do regret the initial confusion."

"In 22 years at Meharry Medical College I am listed as the physician of record on 39

aborted women in the 1960s and 1970s and his involvement in testing a do-it-yourself abortion drug. Also to be addressed was a much-criticized government study in which poor men in Tuskegee were left untreated for syphilis. Dr. Foster has vehemently denied knowledge of the experiment before it became public in 1972.

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Opposition Boycotts Parliament as Seoul Limits Blast Probe

Compiled by Our Staff From Overseas

SEOUL — South Korean opposition parties boycotted Parliament on Tuesday after the government rejected a call for a special session to investigate the gas explosion at a subway construction site that killed 100 people last week.

The government drew up plans to prevent further gas explosions, as citizens and the opposition questioned the government's motives for seeking a speedy end to its inquiry of the explosion, in Taegu, 250 kilometers (150 miles) south of Seoul.

Prime Minister Lee Hong Koo led a meeting of cabinet ministers and safety experts to confirm the new measures after the explosion Friday, the second in five months, a government spokesman said.

The measures include a requirement for warning systems against gas leaks at all subway construction sites and special surcharges on gas sales to raise funds for safety projects.

The National Assembly was adjourned for the second straight day after opposition legislators walked out. They had called for a special five-day session to deal with the country's worst peacetime explosion.

The governing Democratic Liberal Party had rejected the demand, insisting that the current session focus on issues related to local elections in June.

"We cannot accept the ruling party's proposal," said Shin Ki Ha, floor leader of the main opposition Democratic Party.

Taegu citizens, civil rights groups and opposition leaders have accused the government of trying to end its investigation into the explosion quickly to minimize the political fallout before the June 27 local council elections.

The poll is the first major electoral test for President Kim Young Sam since he began his five-year term in February 1993.

The Young Men's Christian Association in Taegu said the official investigation team had been quick to charge five people, including the head of a small engineering firm, with responsibility for the tragedy. The YMCA acts as a civil affairs monitor in South Korea.

A government investigation team said in a preliminary report that the explosion went off after liquefied petroleum gas leaked from a supply pipe into a pit where subway lines were being dug. (AP, Reuters)

Nepal to Banish Death Penalty To Conform With 1991 Treaty

Reuters

KATHMANDU, Nepal — Nepal's Communist government plans to abolish the death penalty in the Himalayan kingdom, officials said Tuesday.

"Necessary steps are being taken to form a human rights commission and sign the covenant aiming at abolishing the death penalty," Law and Justice Minister Subash Chandra Nemwang told a meeting of human rights activists.

Nepal's constitution, written

in 1990 after democracy replaced an absolute monarchy, forbids capital punishment, but legal experts say old laws allowing the death penalty have yet to be repealed.

Ganesh Raj Sharma, a constitutional lawyer, said that some offenses, including those relating to the army and succession to the throne, still pre-scribed capital punishment.

Nepal signed the International Covenant on Civil and Political Rights in 1991. It now plans to adhere to the covenant's protocol on capital punishment, officials said.

"We are positive to this, and the government has already initiated necessary process for the accession of the instrument," the law and justice minister said.

Two new documentaries examining the days leading up to the military assault on central Beijing on June 3 and 4 have resurrected the debate over whether the students should have surrendered the 99-acre square before the crackdown and thus avoided the bloodshed that claimed hundreds of lives.

The debate does not call into question the overall motives of the spontaneous pro-democracy protest that began on April 15, 1989, nor does it seek to excuse the brutality of the Chinese government for the deaths that occurred when 200,000 soldiers were ordered to reclaim central Beijing from the students.

But a central question for many in the student movement, and for some historians, is whether the more radical student leaders spurned opportunities to declare victory by end-

ing the demonstrations and perhaps preserving the reformist trend that was then prominent in the Chinese leadership.

To document the streak of radicalism in the student movement, the Boston-based producers of a three-hour documentary are focusing on a long interview given by one student leader, Chai Ling, five days before another over the history of the event.

In it, Miss Chai said she wanted to provoke the govern-

ment to violence against the unarmed students.

"Only when the square is awash with blood will the people of China open their eyes," she said in denouncing those students who sought to end the occupation of the square.

These remarks, which have never been fully presented, provide new insight into the tension-filled environment of the demonstrations in 1989.

Liu Xiaobo, a Chinese intellectual

paramount leader is expected to pave the way for a full reassessment of the party's condemnation by hundreds of thousands of people as a "counterrevolutionary rebellion."

If there is a reconsideration of the movement, part of the work of everyone who participated will be to face their own moral responsibility, even though it was the government that opened fire," said Liu Xiaobo, one of the Chinese intellectuals who persuaded the last 3,000 students to leave the square at 5 A.M. on June 4, after a nightlong assault on the streets of Beijing.

The debate over the outcome at Tiananmen began among the student leaders almost immediately after the crackdown and has continued among historians since, although mostly out of public view. But the new documentary accounts are bringing uncomfortable issues to the fore.

In the documentary "Moving the Mountain," directed by Michael Apted of Britain and opening this month in New York, another protest leader, Wang Chaohua, gives tearful

witness testimony to student "mistakes" that provoked the government assault and reveals her anger at Miss Chai, who became the uncompromising icon of the movement's final days.

Today, Miss Wang, now 42, wants nothing to do with the promotion of the "Moving the Mountain," arguing that it honors

the re-examination of Tiananmen comes as China's Communist Party leadership is preparing for the death of Deng Xiaoping, whose departure as

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TEA AND TENNIS — President Jiang Zemin sipping tea at the World Table Tennis Championship in Tianjin, China. Vincent Yu/The Associated Press

Replaying the Tiananmen Massacre

By Patrick E. Tyler
New York Times Service

BEIJING — Six years after tanks and machine guns silenced their democracy movement, Chinese student leaders who rallied a nation during six weeks of protest in 1989 are at odds with one another over the history of the event.

Two new documentaries examining the days leading up to the military assault on central Beijing on June 3 and 4 have resurrected the debate over whether the students should have surrendered the 99-acre square before the crackdown and thus avoided the bloodshed that claimed hundreds of lives.

The debate does not call into question the overall motives of the spontaneous pro-democracy protest that began on April 15, 1989, nor does it seek to excuse the brutality of the Chinese government for the deaths that occurred when 200,000 soldiers were ordered to reclaim central Beijing from the students.

In it, Miss Chai said she wanted to provoke the government to violence against the unarmed students.

"Only when the square is awash with blood will the people of China open their eyes," she said in denouncing those students who sought to end the occupation of the square.

These remarks, which have never been fully presented, provide new insight into the tension-filled environment of the demonstrations in 1989.

Liu Xiaobo, a Chinese intellectual

Miss Chai, who also said that she did not intend to be a victim of the bloodshed, now lives in Boston and argues that her comments should be viewed in light of the highly charged standoff with the government, and not as examples of extremism.

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EUROPE



THROWING THEM BACK — French fishermen at the port of Boulogne in northern France on Tuesday dumping cod that was shipped from Norway. The fishermen were protesting the importation of fish from outside the European Union.

BRIEFLY EUROPE

Stage Set for Mexico Pact

PARIS — The European Union and Mexico signed a declaration in Paris on Tuesday calling for "gradual and reciprocal liberalization" between the two sides and an intensified political dialogue.

The EU and Mexico said they had agreed to move toward a new political, commercial and economic agreement and increased cooperation.

The declaration was signed by Foreign Minister Alain Juppé, whose country currently holds the EU presidency, and his Mexican counterpart, José Ángel Gurría Treviño, as well as by Manuel Marín, vice president of the European Commission. (AP)

U.K. Talks for NATO Chief

BRUSSELS — The flare-up of fighting in Croatia will top the agenda when NATO's secretary-general, Willy Claes, visits London on Wednesday and Thursday for a series of top level meetings, alliance sources said Tuesday.

Mr. Claes, whose public appearances have become rare since he was implicated in a Belgian government bribery scandal, will meet with Foreign Minister Douglas Hurd, Defense Minister Malcolm Rifkind and senior defense officials.

During the visit, Mr. Claes will also discuss the twinned issues of the North Atlantic Treaty Organization's enlargement to the East and the alliance's relations with Russia. (Reuters)

Belgians Weighing Votes

BRUSSELS — An opinion poll published on Tuesday found that nearly 40 percent of Belgians were undecided over which party they would vote for in the general election May 21.

La Libre Belgique daily newspaper said that 20 percent of the electorate was still deciding between two or three parties, while 19 percent had no idea which candidates to support.

The poll canvassed 2,100 people between April 12 and 21 in Brussels, Dutch-speaking Flanders and French-speaking Wallonia. (Reuters)

A German Tribute to Delors

BRONN — Chancellor Helmut Kohl on Tuesday awarded the former European Commission President Jacques Delors the Grand Cross of the Order of Merit for his services to European integration.

The order is the highest Germany can award to someone who is not a head of state.

"The award goes to a politician who, in his 10 years' work as president of the European Commission, achieved decisive advances in the work of European integration and so did outstanding service to the Federal Republic of Germany," a government spokesman said in a statement.

Calendar

European Union events scheduled for Wednesday, May 3

BRUSSELS: Meeting of European Commission to discuss the Info 2000 program in the multimedia industry; the results of talks for freeing up the telecommunications infrastructure and cable television networks; a scientific cooperation accord with Canada on higher education, and the role of sanctions in enforcing EU legislation.

BRUSSELS: Karel van Miert, the EU commissioner for competition policy, and Marcelo Oreja, the commissioner for audiovisual affairs, meet with Jean-Pierre Elkabbach of France Television.

MARSEILLE: Industrial Affairs Commissioner Martin Bangemann and Transport Commissioner Neil Kinnock participate in the maritime industry forum.

Sources: Agence Europe, AFP.

A Trove of Papal Collectibles*Ancient Vatican Library Devoted to 'Life of Humanity'*

By John Tagliabue
New York Times Service

ROME — When staff members at the Vatican clean behind the cabinets, sometimes they find things.

Recently they turned up bundles of dusty propaganda posters from the Risorgimento, Italy's 19th-century struggle for national unity, said the Reverend Leonard Boyle, who has been prefect or chief librarian, since 1984.

"Anti-papal stuff — invaluable for historians — scatrous poems, that some employee back then must have collected," he said, with an arched eyebrow that seemed to open a chunk in the 71-year-old Dominican priest's indigination.

The library, like any other thing, was regarded as a sort of holdall," he said. "Anything that came into the Vatican and was not of use elsewhere came first into the library. It was only as the stuff became too much for the library, in the 17th century, that they hired it off."

When Christian missionaries went abroad, they sent back more artifacts. Yu Dong, a young Chinese librarian, spends her days cataloging the Far Eastern collections, which contain not only manuscripts and books but also objects of art. She recently discovered a landscape painting of Kaifeng, a capital of China's 11th- and 12th-century Sung dynasty.

But the artifacts are only the beginning. The library has about 1 million printed books. The Library of Congress has about 16.5 million. Many of the popes were major collectors, and several Renaissance princes and crowned heads left priceless libraries.

The papal collectibles include a collection of 150,000 manuscripts — ancient medical treatises, medieval geography books, literature and law books.

These make the Vatican Library what Anthony Grafton, a Princeton University historian, has called "the richest collection of Western manuscripts and printed books in the world."

Father Boyle stresses that the Vatican is essentially "a manuscript library, which happens to have a tail of printed books."

Literary scholars come here like pilgrims to consult the oldest manuscripts of Virgil's poetry, and mathematicians to study the earliest copy of

Euclid's "Elements," from the ninth century. Art historians study the miniatures in thousands of illuminated manuscripts.

"It's a humanist library," Father Boyle said. "We have medical manuscripts, and I think the biggest library of secular Italian poetry is here. It's not devoted to the life of the church, it's devoted to the life of humanity."

"That is its glory and its character," he said. Finding what is there has become the main problem, and so Father Boyle introduced a computer system 10 years ago for all new acquisitions.

Over the last year, librarians have begun entering the entire card catalogue of printed books into a computerized file that is accessible to scholars worldwide via the Internet.

"It's an odd sort of thing," said Father Boyle, an impish, dark-haired native of County Donegal, Ireland. "I've always had a bit of a magpie disposition, and all the bits and pieces I've picked up as a magpie I've used — very little I've let go."

The Latin he picked up while earning a degree at Oxford in medieval history launched him into paleography, the study of manuscripts. He taught for 25 years at the Pontifical Institute for Medieval Studies in Toronto before being appointed prefect.

The leap to the computer age under Father Boyle was a major step. The library did not even have a comprehensive card catalogue until the 1920s, when the Library of Congress sent experts to help organize one.

Paul Weston oversees a staff of about 50 people who work at computer terminals in spaces under the frescoed reading rooms, or on laptops at home.

Computerizing the card catalogue has helped discover lost books.

"Quite a number, more than we expected, were bound together," he said. "Also, there are inconsistencies in dates, or missing data in the call numbers."

IBM is financing a \$1 million program to store 20,000 images, most of them illustrations from illuminated manuscripts, with electronic scanning devices, so that scholars will be able not only to view them, but also to have their features electronically enhanced, or their details enlarged, on computer screens.

Mafia Don and 40 Underlings Go on Trial in Sicily

By Reuters

CALTANISSETTA, Sicily — The Mafia's "boss of bosses," Salvatore Riina, went on trial Tuesday for the murder of a leading anti-mob investigator, Giovanni Falcone.

Judge Falcone, who had been expected to head a new national anti-Mafia prosecution service, was killed in May 1992 with his wife, Francesca, and three police guards when a remote-control bomb was detonated under their cars on an expressway near Palermo.

Mr. Riina was among only 12 of the 41 defendants who attended the session, held in a bomb-proof maximum security court inside Caltanissetta prison in central Sicily.

Mr. Riina, 64, and virtually the entire *cugia* (ruling commission) of Cosa Nostra, are charged with ordering or carrying out the murder of Judge Falcone, the first investigating magistrate to unravel the secret inner workings of the Mafia.

Mr. Riina, whose nickname is "The Beast," was captured in January 1993 after nearly 24 years as a fugitive.

Already sentenced to nine life prison terms for other mob crimes, he began what is expected to be one of Italy's longest and most detailed Mafia trials with an appeal to the presiding judge for better access to his lawyers.

Of the 41 defendants, only 9 remain at-large, a measure of the extent of a crackdown aided by an unprecedented breach in the Mafia's deadly code of silence by a flood of turncoats.

The other defendants who were absent on Tuesday are in custody, but they exercised their right not to attend the trial.

About 700 witnesses, among them 49 turncoats including some who have admitted involvement in Judge Falcone's killing, are due to testify at the trial.

The proceedings are expected to go on for about 18 months.

U.K. Dilemma: The Law, Religion and School

By Sarah Lyall
New York Times Service

LONDON — It was time for the mandatory session in daily worship at the Lauriston School in Hackney, East London. Several children recited a poem about an anthropomorphic tree who realizes he is more than the sum of his parts.

The head teacher, Heather Rockhold, led a discussion of the school's values — "Musical instruments," suggested one tiny child — and then everyone joined in "The Family of Man," a song about togetherness.

What was left out?

Well, references to Christianity, for one thing, even though worship in state-financed schools is meant to be "broadly Christian" under British law.

"I worry about the mainly Christian emphasis on things, which I think is unrealistic in this day and age," Ms. Rockhold said afterward.

"We try our best to follow the guidelines, but I think that most schools break the law in some way," she said.

The law, it seems, is becoming harder and harder for schools to follow these days, as Britain enters an era of diversity of language, culture and — of crucial

importance in a country that has its own state church — religion.

It is especially hard to keep up a strictly Christian pace at a school like Lauriston. Many of the teachers are atheists or agnostics.

And the student body, 265 children aged 3 to 11, is made up of not just Anglicans and Roman Catholics, but also Seventh-day Adventists, Jews, Rastafarians, Hindus, atheists, Jehovah's Witnesses, Sikhs, Buddhists, Evangelical Protestants, Muslims and Greek Orthodox Christians. Forty-seven percent of the students are members of ethnic minorities.

"I think the government has some notion of schools and communities becoming the way they were in the 1940s and 50s when village churches were full," Ms. Rockhold said, sitting in her office, a center of calm in the noisy, bustling school.

"But I have a strong feeling that most synagogues and mosques are much more likely to be full now."

What does the school do? It tries, teachers say, to follow the requirements — which call for religious instruction in the classroom as well as the daily worship sessions — by emphasizing values common to all religions, like sharing and

compassion, and by teaching that there are alternatives to Christianity.

"I would always say, 'Christians believe this,'" said Peter Sanders, Lauriston's deputy head teacher, who happens to be an atheist. "I would never say, 'This is the way it is.'"

That means, too, that the school devotes much of its time to what, if it were a university, might be called comparative religious studies.

Throughout the year, students learn about Christmas, Passover, Ramadan and all the other major holy days. Indeed, teachers say they worry about fostering the impression that religion is an endless series of festivals.

The bulletin boards are crammed with information about things like Diwali, the Hindu festival of light. Mr. Sanders recently spent an assembly teaching the students about Greek Orthodox Easter.

"I don't find it a problem to talk about the stories involved or the history of a particular religion, or about why things are done and why they happen," he said.

At the same time, he objects strongly to the government's requirements.

"I think they make a very clear statement that what is right in this country is

Christianity and Christian beliefs," Mr. Sanders said.

"For many of our students, that has strong implications and puts their standing in the community very much in perspective," he said.

There are inklings that some members of the Church of England are rethinking their positions, too.

This year, the Archbishop of York, one of the church's highest-ranking officials, said that a review of at least some of the regulations might be desirable. School worship, he said, "is valuable if it can be done with integrity by those involved, but may be counterproductive if that integrity is lacking and the attitude toward worship is resentful."

But Gillian Shepherd, the government's secretary of state for education, warned teachers not to flout the law, which conservative Christians find not strict enough anyway.

"Teachers must be very clear about the requirements of the law as it stands," she said. "There are no plans to change it."

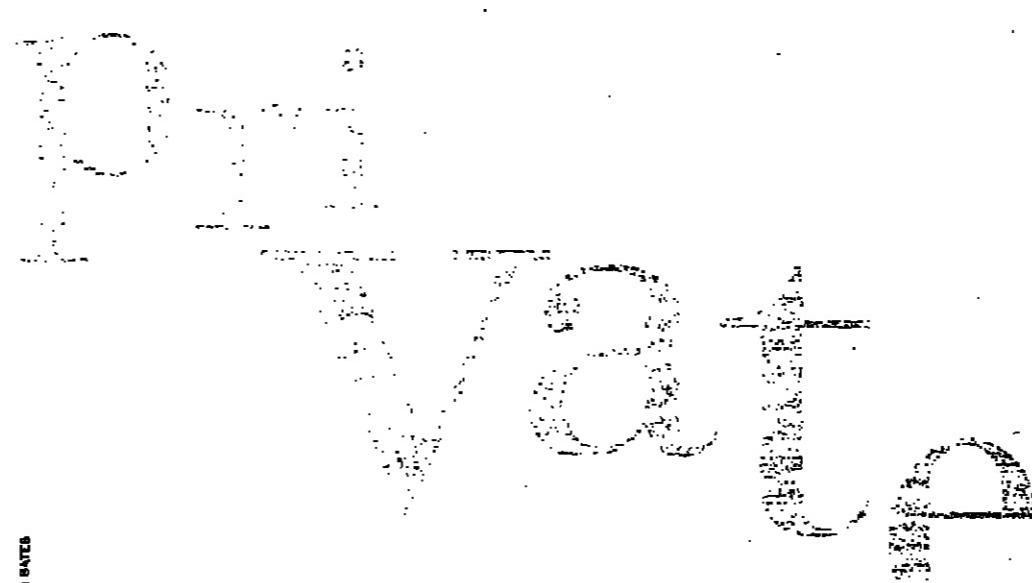
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INTERNATIONAL

A Major Obstacle to Mideast Peace? It's Mutual Incomprehension

Yasser Arafat cutting a ribbon Tuesday to open an election office in Jabalia, Gaza.

By Barton Gellman
Washington Post Service

GAZA — Yasser Arafat had a story to tell, a story he has told a lot lately and delivers with practiced ambiguity.

It is a story about terror and terrorists and why they are not, in the end, his problems to solve. But it is also a story about his relationship with Prime Minister Yitzhak Rabin of Israel and the gaps of mutual bafflement and exasperation that divide them.

The two men are locked in the least likely of political marriages. Both know they must keep talking or admit that their initial accord of September 1993 granting limited Palestinian self-rule was an unforgivable mistake. Yet, their outlooks and backgrounds are so far apart that they seem to lack a common basis to proceed.

Mr. Rabin told dinner companions recently, according to one of them, that he had spent 45 minutes with Mr. Arafat explaining the historical significance of the arms ship Altalena. David Ben Gurion, then fighting Israel's war for independence, ordered the ship sunk in 1948 because it belonged to a rival Jewish militia, the Irgun, that did not recognize the authority of the fledgling state.

Mr. Arafat urged, needed an Altalena of his own against Islamic militants.

"It didn't penetrate," the dinner companion quoted Mr. Rabin as saying.

Mr. Arafat's story is longer, reliant on inference and insinuation, but its moral is roughly the same: Mr. Rabin doesn't get it, and doesn't want to.

The Palestinian leader's guests Monday in his seafront office were a cross-section of the Israeli liberal pressure group Peace Now: a philosopher, an economist, one of Israel's finest fiction writers, nine left-leaning intellectuals in all. They had come to express solidarity with the Palestinian cause, and they agreed, with Mr. Arafat's consent, to permit a Washington Post reporter to attend.

Mr. Arafat was a charming host, embracing the novelist Amos Elon and fussing over the coffee and tea. Yet, his interlocutors left the meeting, and Gaza, with the troubling sense they had never quite connected with him.

"We played our cassette, and he played his cassette," said Avishai Margolit, a philosophy professor at Hebrew University. "Still, it's interesting which cassette he chose."

Mr. Arafat's story began with Beit Lid, the Israeli highway junction where two suicide bombers killed 21 young Israelis in late January. The twin blasts also exploded the most

recent breakthrough in the self-rule talks with Israel, causing Mr. Rabin to pull back from promises he said he no longer felt capable of keeping.

Twice before, Mr. Arafat said, traumatic attacks had followed similar breakthroughs

subject with Mr. Rabin in the presence of Jordan's King Hussein and President Hosni Mubarak of Egypt. His evidence, he said, was that the two Beit Lid bombers had spent their last night in an Israeli village called Dabaniya.

minister is asking you to answer me."

Mr. Arafat stopped, meaningfully. He laced his fingers to signify that he was coming to the point.

"No one can answer," Mr. Arafat said triumphantly. "Except Mordechai Gur shook his head, many times."

Mr. Gur is deputy defense minister.

Pressed for details of his theory, Mr. Arafat demurred.

Afterward, most of the Peace Now delegates said they did not think much of what Janet Aviad described as "this story about an Israeli connection." But they noted something about Mr. Arafat's demeanor and the context of his remarks.

The moral of Mr. Arafat's story, they said, was that terror threatened both sides and fell on both sides to confront. Throughout the meeting, they noted, he stressed his commitment to keep negotiating.

He told the Israelis that there was a "hot line" now between Mr. Rabin's office and his. He said the two sides have worked out most of the details of elections to be held in the West Bank and Gaza Strip.

When the Israelis brought up Jewish settlements and this week's disclosure of new land confiscations in East Jerusalem, Mr. Margolit said, "We actually embarrassed him." Mr. Arafat is under tremendous pressure to cut off the negotiations, but he does not want to do what may.

In fact, the delegation seemed to embarrass Mr. Arafat a second time, in the final exchange of the meeting. Haya Noah, director of Peace Now, invited him to a conference in Tel Aviv. Mr. Arafat, who has never set foot in Israel and knows what a storm to do so would create, demurred.

"Freih will replace me," he said at once, gesturing to the Palestinian justice minister, Freih Abu Medien.

Clinton on a Limb: Congressional Pressure Spurred Iran Trade BanBy Thomas W. Lippman
Washington Post Service

WASHINGTON — President Bill Clinton's decision to bar all U.S. trade with Iran put the anti-Iran campaign squarely at the top of the administration's foreign policy agenda, placing at risk such treasured priorities as cooperation with Russia, expansion of markets for American goods, outreach to Islam and extension of the Nuclear Nonproliferation Treaty.

If the boycott fails to coerce Iran into changing its policies, fails to dissuade Russia from selling nuclear equipment to Iran and fails to persuade U.S. allies to restrict their own commerce with Tehran — all these are distinctly possible — the administration will potentially have undermined its other objectives and penalized U.S. business for no gain other than to show the U.S. Congress that it was prepared to get tough.

Secretary of State Warren M. Christopher

used language Monday that left the administration little room to maneuver or retreat gracefully. He called Iran an "outlaw state" that "simply cannot be permitted to get its hands on nuclear weapons," and said that

NEWS ANALYSIS

Iran was responsible for "a trail of carnage from Beirut to Buenos Aires," referring to terrorist attacks in Israel and Argentina for which Iranian responsibility has not been established.

Mr. Christopher deliberately used such language because he is personally committed to blocking Iran's effort to acquire nuclear weapons, a State Department official said. "The issue is so important that no one is thinking about how to hedge," the official said.

White House officials have acknowledged, however, that it was not just Iranian behavior that induced Mr. Clinton to embrace the toughest of the Iran policy options developed

for him by his advisers. It was also pressure from the chairman of the Senate Banking Committee, Alfonse M. D'Amato, Republican of New York, and other members of Congress.

Mr. D'Amato and others are sponsoring a measure that would go further than the president's forthcoming executive order, announced Sunday. Their bill would close U.S. markets to most foreign corporations doing business with Iran, imposing what administration officials call a "secondary boycott."

Mr. D'Amato responded cautiously. "This is a good first step," he said, "but more needs to be done. Now it's our allies' turn to embargo trade with Iran."

The leader of the majority Republicans in the Senate, Bob Dole of Kansas, praised Mr. Clinton's decision, saying, "The president had to act." But Mr. Dole, too, said that more

needed to be done. He suggested that Mr. Clinton "may want to reconsider his trip to Moscow" next week if Russia has not backed off from its nuclear sales agreement with Iran.

Mr. Clinton announced his decision at a meeting of the World Jewish Congress. Israel and its U.S. supporters have been supporting Mr. D'Amato's bill and sounding the alarm about Iran's nuclear ambitions.

An Iranian government statement said, "U.S. Middle East policy is more biased toward supporting the Zionist regime than considering U.S. national interests," according to Reuters.

Iran has other outlets for its oil, the statement said. American oil industry analysts generally agree with that assessment.

Officials acknowledged that without the cooperation of Russia and the allies in the Group of Seven wealthy nations, the administration's policy would have little impact on Iran.

Part of the administration's problem in persuading other countries to follow its lead is that Russia's plan to provide Iran with a two-reactor nuclear plant and train Iranian technicians is technically legal under the Nuclear Nonproliferation Treaty.

At a conference in New York, the administration is seeking an indefinite extension of the treaty, but some key countries have said that U.S. opposition to Iranian acquisition of nuclear power shows a lack of U.S. commitment to the accord.

Another difficulty lies in the reluctance of the G-7 allies to restrict what they regard as legitimate business activity by their corporate citizens.

Even if they take similar steps, that would still leave Russia, which has agreed to sell Iran not only a nuclear power plant but also centrifuge equipment needed to produce the enriched uranium that Iran would need to make weapons.

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INTERNATIONAL



Mr. Le Pen in Paris on Tuesday, carrying a newspaper report of the drowning.

Killing Curbs Le Pen Influence**Far-Rightist May Lose Role as French Election Arbiter**By Barry James
International Herald Tribune

PARIS — The death of a young Arab, hurled into the river Seine by skinheads during a rally of the extreme-right National Front, cast doubt Tuesday on the attempt of the front's leader, Jean-Marie Le Pen, to be an arbiter in France's presidential elections.

The National Front won 15 percent of the vote in the first round of the election April 23. Even though he was eliminated, Mr. Le Pen, 66, has remained a third force against the two candidates in the runoff on Sunday, the conservative Jacques Chirac and his Socialist Party rival, Lionel Jospin.

But the murder of Brahim Bouarram, a 29-year-old Moroccan immigrant, and Mr. Le Pen's lack of public regret over what he dismissed as minor "incident" created a wave of revulsion. The murder, according to the newspaper Libération, placed "a dead man on Le Pen's path."

Mr. Chirac said the killing was an "odious act" that made it all the more necessary to be vigilant against intolerance. Mr. Jospin called it "a new racist crime carried out by a group of those individuals who systematically practice violence."

Mr. Le Pen has long invoked France's delicate immigration issue. His call for the "repatriation" of 3 million immigrants, roughly equal to the number of unemployed in France, is a siren song to manual workers and the jobless who might once have voted Communist.

At the same time, he has washed his hands of the consequences of a policy that former Prime Minister Michel Rocard said "sows hatred" against foreigners. Mr. Le Pen said he felt "no responsibility" and expressed no regrets for the death of Mr. Bouarram, who was enjoying the May Day sunshine on the banks of the Seine when he was attacked by up to 10 skinheads during a National Front rally in Paris.

The attackers disappeared into the crowd of 15,000 people at the rally, leaving Mr. Bouarram to drown.

Mr. Le Pen suggested the attack may have been a "provocation" against his movement, and was the kind of ordinary "incident" that happens in any big city.

But for many, the drowning of a North African immigrant in the Seine recalled the savage police repression of Algerian demonstrators in Paris 34 years ago, when many bodies were rumored to be floating in the river.

Mr. Pen blamed the failure of the police to keep order on the fringes of the National Front rally. He stated that his own protection and security forces had nothing to do with it, and he called for the killers to be caught and punished heavily.

SOS-Racism, a leading human rights and anti-racist organization, called for a demonstration in Paris on Wednesday on the spot where Mr. Bouarram was killed.

While Mr. Chirac, the mayor of Paris, has condemned racism, he has expressed support for the strict anti-immigration law imposed two years ago by the interior minister, Charles Piau. Mr. Jospin says he will ask a future National Assembly to abrogate the law and end the state of limbo for thousands of people, many of them born in France, who can neither legally live here nor be deported.

Mr. Bouarram was the second person to die in connection with activities of National Front supporters. On Feb. 21, a 17-year-old French citizen from an immigrant family was shot and killed by one of three National Front members who were pasting up party propaganda in Marseille, a Mediterranean stronghold of the extreme right.

Mr. Le Pen refused to condemn what he called "that accident."

"You might as well ask me why I don't condemn rain, hail, traffic accidents or earthquakes," he said at the time.

DEBATE: No Knockout in Chirac-Jospin Face-Off

Continued from Page 1
he had raised questions that he has wavered about his commitment to close cooperation with France's neighbors.

But he avoided making any specific new commitments about European unity that are liable to interfere with his avowed hopes of reducing the powers of the European Commission in Brussels and resisting early moves toward reducing national sovereignty.

Otherwise, foreign policy was only briefly discussed. An exception was Mr. Jospin's criticism of French passivity about Russian actions in Chechnya, which he contrasted with U.S. pressure on Moscow.

The themes largely domestic, were set in advance by the two campaign managers in conjunction with two journalists who moderated the two-hour debate. But both candidates shied away from hot issues in France, including the question of whether the country could ease unemployment by agreeing to devalue the French currency.

As the debate progressed, many French television viewers

said that it seemed to lack the spark of personal or political fire that has often emerged in similar debates during previous campaigns. In that sense, both candidates seemed to have lost the opportunity to eclipse an impression of political fragmentation left by results of the first round of voting on April 23.

But with half of France believed to have watched it on national television, the duel could shift the outcome of Sunday's election by a few critical percentage points, especially among the unusually large pool of voters who say that they are still undecided.

In French presidential elections since 1974, the outcome of the debate has foreshadowed the voters' choice — a pattern similar to U.S. presidential campaigns in which TV debates have proved decisive.

The debate in France has special importance because it provides a platform for the candidates to project a strong vision about the nation's future.

Going into the debate, Mr. Chirac was credited with the

advantage of experience and a conservative majority in the country. But many analysts said that Mr. Jospin needed only a debating draw to maintain his momentum in trying to overtake Mr. Chirac.

Mr. Chirac has emphasized Mr. Jospin's position as a comparatively inexperienced statesman and also the heir to the Socialist governments over the last decade that left a legacy of strong unpopularity.

But Mr. Jospin portrayed himself credibly as an idealistic Socialist who has learned from the mistakes of the Mitterrand years. In many ways, he struck a figure resembling Bill Clinton during his campaign against George Bush in the United States in 1992.

Mr. Chirac, constantly referring to his extensive experience, sought to play down the main concerns of his two wings of supporters — centrists who are cool on law-and-order issues and strong on European integration and ultrconservatives who want a crackdown on immigrants and fear any erosion of French sovereignty.

CROATIA: Serbs Shell Zagreb With Cluster Bombs

Continued from Page 1
the central Croatian industrial city of Slavonski Brod.

At least 5,000 Serbian refugees poured southward out of the western Slavonian pocket over a bridge on the Sava River into areas of northern Bosnia controlled by Serbs, UN officials said. A further 600 armed men in the town of Pakrac surrendered after the fall of Okucani.

However, the road appears to have been no more than a pre-text for the Croats. The taking of Okucani suggested that the real aim was to capture the whole enclave, which bulges into Croatian territory from Serbian-controlled northern Bosnia and has long made travel difficult between Zagreb and

homes during attacks on Serb enclaves near the Adriatic coast in 1993.

President Slobodan Milosevic of Serbia condemned the Croatian offensive as a criminal act against a civilian population and a flagrant attack on comprehensive efforts aimed at establishing peace in the region.

Mr. Milosevic, who set in motion the dissolution of Yugoslavia with a brand of aggressive Serbian nationalism that destabilized the former federation, has recently sought to portray himself as a moderate man and a peacemaker.

Witness Says Blood on Sock Is Nicole Simpson's*The Associated Press*

LOS ANGELES — Three months after a sock was seized from O.J. Simpson's house, a technician discovered blood on it that matched the blood type of Mr. Simpson's slain former wife, the technician testified Tuesday.

Gregory Matheson, the laboratory director of the police crime laboratory, offered the first scientific evidence directly linking Mr. Simpson to the June 12 stabbing deaths of Nicole Brown Simpson and her friend Ronald L. Goldman.

Meanwhile, an ambulance rushed to the home of Tracy Hampton, the juror who was dismissed from the panel Monday after having told Superior Court Judge Lance A. Ito last month: "I can't take it anymore."

A Los Angeles County fire department spokesman confirmed that the patient brought out on a stretcher was Ms. Hampton. She lay still and her head was covered to hide her identity. Ms. Hamp-

ton's sister and mother climbed into the ambulance behind her.

The paramedic, who would not give a name, said the woman's condition was not life-threatening but appeared to be of a psychological nature.

"She's just going in for observation."

The county fire Inspector, Brian Jordan, would not confirm the woman's identity, saying only: "There is a female. She is sick. She is sick and she is going to go to the hospital. One of the reasons she may be sick is all the attention here. That's all the family wants released."

On April 20, Ms. Hampton, a 26-year-old black flight attendant, told the judge she could no longer take the stress of jury service. Ms. Hampton's complaints were partly responsible for the dismissal of three deputies guarding the sequestered jurors.

Judge Ito had tried to get her to stay but failed. The judge said in court Monday that he had found "good cause" to

dismiss Ms. Hampton, but did not give his reason.

In the court session Tuesday, Mr. Matheson pointed to a chart that outlined for the jury the results of standard blood tests on the numerous blood samples collected in the case.

"Well, of the three parties that are on this chart," he said, "the sock blood is consistent with the type that we found on item No. 59, Nicole Brown, and is inconsistent with or definitely could not have come from the item No. 17, Mr. Simpson, or No. 60, Mr. Goldman," said Mr. Matheson.

Police said they found the sock next to another sock at the foot of Mr. Simpson's bed during a search the day after the murders. A police evidence technician said he did not see any blood on the sock at the time.

Mr. Matheson said that when he looked at the sock on June 29, he did not notice any blood either. But he said he saw a dark stain on the sock when he

inspected it on Sept. 18. The stain, he said, turned out to be consistent with Nicole Simpson's blood.

Technicians never thought to keep accurate records of how much of Mr. Simpson's blood was used for testing. Mr. Matheson also testified, and he added that measurements of blood samples from living persons were often just rough guesses.

Mr. Matheson addressed suggestions from Mr. Simpson's attorneys that a small amount of unaccounted-for blood taken from Mr. Simpson was sprinkled at the crime scene by police to frame Mr. Simpson for murder.

Mr. Matheson said that he only estimated the amount of blood taken from a vial when he tested it last June, and that some of the blood could have been thrown away or stuck to testing equipment without any record of it.

The disputed blood was given by Mr. Simpson after he was interviewed by police on the afternoon following the murders.

ARREST: FBI Holds 2 More in Bombing Investigation

Continued from Page 1
arrival of bomb experts to search the man's car, said Wanda Jackson, co-owner of the motel.

Also Tuesday, the fire chief in Oklahoma City, Gary Marrs, said that the death toll in the bombing of the federal office building there had reached 146, but that fewer than 20 people were now thought to be missing.

Search teams at the building, which was blown apart by the blast, brought in heavy equipment early Tuesday to speed removal of the rubble.

In Washington, Ms. Reno refused to say if Mr. Jacks and Mr. Land were suspects in the bombing or if either was believed to be John Doe 2.

The FBI surrounded the eight-unit, one-story brick mo-

tel and moved guests out of two other units.

The car sought in the FBI bulletin was registered in Arizona to Mr. Land. Mr. Land and Mr. Jacks stayed for five months at a motel in Kingman, an Arizona town frequented by Mr. McVeigh.

On April 20, the day after the bombing, Mr. Land and Mr. Jacks checked into a motel in Perry, Oklahoma, the town where Mr. McVeigh was being held on a traffic violation. After a few hours, the pair checked out and returned to a motel at which they had been staying in Vinita, Oklahoma.

The visit to Perry suggested that they were able to find out, possibly through an intermediary, that Mr. McVeigh had been arrested, although it is not clear who that person might be. Mr. McVeigh was not identified as a suspect in the bombing until Friday, April 21, when he was transferred to federal custody.

Tom Crafton, manager of Deward & Pauline's motel in Vinita, Oklahoma, said Mr. Land and Mr. Jacks checked into his motel on April 19, the afternoon of the bombing. He said the men checked back in later on April 20 and stayed until the evening of April 24.

Vinita is 180 miles (290 kilometers) northeast of Oklahoma City on Interstate 44; Carthage is 60 miles to the northeast of there, also on the interstate highway.

On April 23, the day before the pair left the Vinita motel,



The latest drawing by an FBI artist of "John Doe 2"

Mr. Land went to the office for ice, Mr. Crafton said. He recalled that he had told Mr. Land that he resembled the second bombing suspect. Mr. Land, Mr. Crafton said, replied, "Really?"

When Mr. Crafton's wife, Juanita, said that the men building the federal building

must be crazy, he answered, "Yeah," and walked out.

Prosecutors are using the term "material witness" to describe people being sought for questioning but whose activities have not turned up direct evidence of sufficient wrongdoing to charge them with a crime.

(AP, Reuters, NYT)

BOOKS**FLASHMAN AND THE ANGEL OF THE LORD**By George MacDonald Fraser.
394 pages. \$24. Knopf.

Reviewed by Jon Lellenberg

GEORGE MACDONALD FRASER, now in his 70s, has reached his landmark 10th Flashman novel. A mordant twist on "Tom Brown's School Days" that prime example of what the late Christopher Morley called Victorian Corn, Fraser's first Flashman book came out in

1969, a ripe time for antiheroes, and filled the bill superbly. Flashman has soldiered on ever since, though in recent years, some students of his adventures have claimed to detect a certain unbidden sense of decency creeping in: Colonel Sir Harry Flashman, while still whoring his way through history, is not quite the shameless exploiter of womankind he was once, nor quite the sniveling coward and bully he still claims to be.

Maybe not, but the Flashman of this year's release is as lustful a porpoise as you would expect

to find with a Victoria Cross on his chest and a knighthood in the offing. And if he finds himself in the midst of yet another thundershower of history, as uninsurable as ever, you may be confident that he has only others to blame. Flashy himself wouldn't be there for the world. But little naiads hold the hinge of history, remarked Otto von Bismarck as he ruthlessly bent a younger Flashy to his own ends, in "Royal Flash" years before, and several of them combine this time to waylay him en route home from India in 1859. Instead of returning to his lovely brainless Elspeth's arms, Flashy is shanghaied to the United States, where one of his enemies has prepared a warm welcome for him.

Fortunately, his landfall does not come on quite the way Flashy feared. Still, the hardness about life, he muses, is that his has always had more than its share of madmen with a mission in it. This time the political forces for and against slavery, the union and the cause of Southern civilization conspire to thrust him into the arms of America's Man of Destiny, Ossawatomie John Brown. Fresh from Kansas, which he helped keep free-soil by killing settlers from Southern states, Brown is determined to raid the federal arsenal at Harper's Ferry, West Virginia — whereupon, he assures his liberal backers in New England parlors, the slave

revolt that will follow will sweep the Peculiar Institution away. A Southern secret society knows better, but wants Brown to try, for Southern outrage will cement opinion once and for all behind secession. The emerging Republican majority in the North wants Brown stopped, for fear of plunging the country into civil war. And each side insists upon Flashman's warning his way into Brown's trust and doing the trick for them.

By now, readers of Flashman's memoir know the sort of thing to expect. And antiheroes do not cut quite the figure today they did 25 years ago, when cynicism toward Flashman's class and calling and (ostensible) values reached its zenith. But in "Flashman and the Angel of the Lord," Fraser still holds his audience. The depth of his historical research, and Flashman's storytelling powers, are well nigh irresistible.

Flashman's irreverence gets vast scope in an America on the brink of civil war over sectionalism and slavery. Some will not appreciate it, but at a time when "Huckleberry Finn" is being shunned again, others will find it refreshing.

Jon Lellenberg, who is working on the fourth volume of a history of the Baker Street irregulars, wrote this for The Washington Post.

BEST SELLERS

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EDITORIALS/OPIION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Damage Limitation

With expiration of the latest never-sturdy cease-fire, the one Jimmy Carter brokered, Bosnia is in a virtual free-fall. The warring parties have had four months to prepare to resume battle. The outside parties have exhausted their diplomatic maneuvers, never having put real muscle behind them. UN peacekeepers — ignored by the Muslims, humiliated by the Serbs — wobble on the brink of pullout. The possibility of expansion of the war to Croatia, Macedonia or Kosovo remains stark.

In Washington the dominating consideration is still not to get sucked further in. Nonetheless, the Clinton administration is committed to join whatever brief but sizable intervention might be necessary to escort out the peacekeepers. This can be defended as a minimal obligation to allies who have borne the brunt of a peacekeeping mission that the United States should have shared. But meanwhile the Republicans are pushing a reluctant Clinton administration to split with those same allies — and to increase their forces' exposure to peril — by unilaterally renewing arms supplies to the Muslims. This is foolish, an unthought-out effort to have it both ways. America has a moral obligation to the

Muslim-led government, the most abused party in Bosnia's wars. At this late point, it begs belief to imagine that Americans are about to start fulfilling that obligation generously. Even symbolic and lesser steps, however, must be chosen to do more good than harm. Opening an arms flow that simply drives out peacekeepers performing a vital and irreplaceable humanitarian service to the Bosnian people does not meet the test. Better to let the Muslims seek arms elsewhere, even from Iran. Some other means of persuading the Bosnian Serbs to meet the requisite test. These include political and economic boycott, war crimes trials of the leadership and insistence on a fair peace plan.

The war could go on for years, even decades, at continuing cost but at less than full pitch. Muslims have suffered the sort of giant losses of life, land and community from which giant passions for vengeance spring. Serbs so far the winners, still nurse their own grievances. The catastrophe that has befallen the old Yugoslavia is not going to be undone. The goal of policy has become to limit some of the collateral damages.

—THE WASHINGTON POST.

Embargo on Iran**An Appropriate Move**

A trade embargo is not a foreign policy weapon to be casually employed. Whether or not it has a crippling effect on the target country, an embargo is a powerful symbol of Washington's ire, and should be used only against countries that threaten American security and principles. Iran fits that definition. President Bill Clinton made the right call when he followed his foreign policy advisers rather than his economic advisers and imposed a complete ban on trade and investment with Tehran.

Mr. Clinton acted to punish the Iranian government's open support for terrorism and its pursuit of nuclear weapons. Besides its continuing death threats against the novelist Salman Rushdie, Tehran has been implicated in the murders of Iranian political figures abroad. Iran is also believed to be behind deadly car bombings from Beirut to Buenos Aires.

In addition, American intelligence agencies are convinced that Iran, which sits on more energy resources than its civilian economy will ever need, is pursuing reactor and other nuclear technologies from Russia and China to develop atomic weapons. Curbing international terrorism and nuclear proliferation are rightly among the Clinton administration's highest foreign policy priorities.

Until now, European oil-consuming countries and nuclear suppliers like Russia and China have been unwilling to restrain their commerce with Iran. Meanwhile, diplomatic efforts not backed by economic pressure have done little to change

Iran's dangerous behavior. Under these circumstances, the United States is justified in acting on its own and encouraging others to follow its example.

The embargo will end purchases of Iranian oil by U.S. companies for resale overseas, which last year amounted to \$4 billion, or one-fifth of Iran's oil revenues. U.S. companies were already barred from importing Iranian oil. The president's executive order will also halt remaining U.S. exports to Iran. By barring the trade of American companies, Washington may have a chance of persuading its allies to apply economic pressures of their own.

The administration also acted to head off efforts by Senator Alfonse D'Amato to legislate a wider ban that would have attempted to punish foreign companies doing business with Iran. This would necessarily antagonize the same allied governments that Washington is trying to persuade to join the embargo.

Imposing sanctions that major allies are likely to ignore always runs the risk of cheapening the credibility of sanctions in general. But the dangers from Iran are sufficiently great to override this risk. The administration should now strengthen the case for other countries to join the embargo by spelling out the minimal steps that Iran must take to get the sanctions lifted.

During the past 18 months the Clinton administration has been extremely reluctant to impose international trade penalties for political purposes. Iran's support for terrorism and drive for nuclear weapons make it an appropriate exception.

—THE NEW YORK TIMES.

business with American firms. Even the United States' best friends abroad have always resented and resisted this kind of attempt to impose American law on them. It would be unwise, as the president suggested, to invite quarrels over an enterprise that requires broad cooperation.

Trade sanctions can serve useful purposes, as the embargo on Iraq currently demonstrates. But the world's consumption of oil is steadily growing — and most of the growth is taking place, incidentally, in the developing countries. Most of that growth will be met, in this decade, from the Middle East. That reality underlies other governments' reluctance to join the United States in embarguing another oil-exporting country, even one that, like Iran, also exports terrorism.

—THE WASHINGTON POST.

Other Comment**A New, More Open Vietnam**

Vietnam, fortunately, has rethought its priorities and opened the door to a more prosperous future. This does not mean that it has suddenly renounced its past or accepted the idea of a representative government; indeed, brave men like Nguyen Dan Que remain in jail for advancing precisely such heresies. But it does mean that Vietnam has opened itself to engagement, and we think that experience elsewhere in the region suggests that in the long run, as a middle class develops and expands, so will the frontiers of freedom. Already the first thing that greets a visitor to Vietnam at the Hanoi airport is a huge billboard for the American Express card under the caption "One currency." Can anyone really believe that there will be no social or political ramifications to follow?

—Far Eastern Economic Review (Hong Kong).

Twenty Years On, Vietnamese Are Looking Forward

By Peter Ross Range

WASHINGTON — The yawn provoked in Vietnam by Robert McNamara's controversial mea culpa tells a great deal about the enduring tension between the American and Vietnamese relationships to the war.

In Hanoi and Saigon, as the bustling southern city is still commonly called, the focus is on the present and future, not on the sins of the past. "Vietnam is a country, not a war," Deputy Foreign Minister Le Mai is fond of saying. Mr. McNamara's tears are not Vietnam's.

Even the 20th anniversary of the country's reunification this past Sunday (in Vietnam it is the reunification that counts, not the war victory) has been a minor distraction from the real business at hand — that of becoming the next Asian tiger.

Workers were building bleachers in the park in front of the old presidential palace in Saigon last month for a parade, but almost nobody I met cared.

Vietnam today is in the business of business. Even Hanoi, the once sleepy outpost of postcolonial charm and Soviet collectivism, is a cauldron of capitalism.

Everybody, everywhere, is selling something. From the soup stall to the high-rise construction cranes, the country resembles nothing so much as the unbridled free market economies of the West or, better, of the Asian tigers that Vietnam seeks so ardently to emulate.

Hanoi is madly striking deals with international investors eager to rebuild

roads, phone systems and the remaining machinery of a market economy. Yet American businessmen find themselves handicapped in a game fueled by cash streams from Hong Kong, Japan, Taiwan, Singapore and Australia.

The lack of full diplomatic relations between America and Vietnam, held up by the demands of the tiny missing-in-action lobby, cripples U.S. companies by preventing them from using such key instruments as the Export-Import Bank.

The consensus among Americans in Hanoi is that closer relations would foster closer cooperation and enhance the full accounting that MIA lobbyists seek.

President Bill Clinton should break the impasse with a historic exchange of ambassadors with Vietnam.

Hanoi strikes the visitor as a surprisingly open place. I detected none of the dangerous electricity I always felt in the Moscow and East Berlin of old, where you knew that the heavy hand of the secret constabulary was only a phone tap away.

Men in uniform are few and far between. If anything, the city needs more cops on the street to manage the heavy traffic.

This climate extends to the flow of information. Local television is heavily Westernized. On my first night in town, I was stunned to see "Apocalypse Now" showing on the main channel.

This does not mean that Vietnam is free in larger terms. It is a one-party state with secret surveillance of those thought to be a threat. Some key Buddhist leaders are imprisoned, some intellectuals gagged or hounded; some harsh sentences are meted out for the slightest show of dissent — such as the 15 years given to a man named Pham Van Quang for waving the flag of the former South Vietnam during the 1992 Ho Chi Minh City international marathon.

Still, political repression is hardly a topic that is on everybody's lips. As best I

could tell, in fact, it was on nobody's lips, unless I brought it up. The national preoccupation is economic, not political, and Vietnam is clearly a country on the make.

Nine years into *doi moi*, Vietnam's perestroika, the leadership is obviously doing something right. "The Communists have succeeded," said my old anti-Communist friend Ly Quy Chung one day in Saigon.

It was an extraordinary admission from a former opposition politician, now a journalist, who battled both the Vietcong and the U.S.-supported government of President Nguyen Van Thieu in the 1970s.

He meant that his old enemies after the "10 dark years" from 1975 to 1985 had now got it right, not merely economically but politically as well. By giving the people what they want — the liberty to pursue economic happiness — the Communist gerontocracy is able to keep what it wants: control.

But many think that Vietnam, opened by the West and electronically liberated by sidewalk fax and photocopy stalls, is slouching toward democracy.

By putting the war behind them and eagerly grasping their future, the Vietnamese are able to forgive and forget and move forward. The question is whether America is ready to do the same.

The writer was *Time* magazine's last bureau chief in Saigon. He contributed this comment to *The New York Times*.

In Vietnam, the Obsessed West Stood Up to an Inflated Threat

By Gregory Clark

TOKYO — The fuss over Robert McNamara's Vietnam mea culpa book "In Retrospect" misses the point. Maybe he should have resigned and spoken out earlier, but so should a lot of other people.

If he really was the closest dove he claims, then he was probably entitled to go along with the Lyndon Johnson tenet that said you are more effective inside than outside.

The key message of the McNamara book lies elsewhere, in the ease with which the bogey of an amorphous "Sino-Soviet Communist threat to the Free World" managed completely to dominate Western foreign-policy making over Indochina.

As Mr. McNamara makes clear, and as I can confirm from experience as an Australian diplomat at the time, the rights and wrongs in Vietnam were secondary to most of the policymakers. The West had to stand up and be counted, period.

Yet from the start it should have been obvious that there was no credible "Communist threat." Communist movements around the world were still gaining from the nationalism spawned by past Western colonialism. But neither Moscow nor Beijing was doing much to help those movements.

In the early 1960s, the Soviets under Nikita Khrushchev were seeking detente with the United States, liberalizing their society; they were concerned mainly with perceived threats to national interests in Eastern Europe. China, then coming under the control of moderates such as Zhou Enlai and Deng Xiaoping, was mainly interested in getting its economy together and resisting perceived U.S. threats via Taiwan.

China provided most of the raw material to support the "Communist threat" argument. The Chinese-Soviet ideological dispute of the early 1960s was seen as clear proof of Chinese extremism and expansionism. Few in the West were willing to do the homework to understand that the Beijing hard line was heavily qualified. The Chinese were primarily agitated by Soviet backtracking during the Taiwan Straits crisis of 1958.

The China-India border war of 1962 was also seen as proof of Chinese aggressiveness. Yet even superficial study would have shown that the first clashes had been initiated by the Indians in Chinese-controlled territory north of the border claimed by New Delhi. It was almost a

decade before the true story of what actually happened gained any circulation in the West. As Henry Kissinger later admitted, if the myth of an aggressive China which emerged from that war had been destroyed earlier, his own views on Indochina would have been quite different.

An even greater folly was Western determination to see events in Vietnam as inspired by Beijing. Historically, the Chinese and Vietnamese had long disliked each other. Hanoi was clearly its own master; if anything, it was rather pro-Soviet.

Yet somehow China was supposed to be controlling Hanoi and seeking to thrust southward into Southeast Asia. One wonders what the authors of this wisdom say today, when Vietnam seeks ties with the United States as an insurance policy against China.

How did the best and the brightest get it so wrong over China and the global Communist threat? Even David Halberstam, whose book "The Making of a Quagmire" did so much to influence public opinion on Vietnam at the time, talked about the West's "global commitment" in Vietnam in that

book without realizing that it was this kind of talk which allowed the policymakers to justify the quagmire and the killing.

One reason is the way military, intelligence and bureaucratic establishments feed off themselves. Stamped secret or top secret, their information automatically gains precedence over more accurate information available from outside. And careers often hinge on getting that wrong information accepted.

From then on the mistakes

become self-perpetuating. In the name of national interest, media and academic establishments have to be penetrated and manipulated. A fog of clichés descends — global commitments, international obligations and so on — to support the government line while the critics become even slighter.

Backing this up is the primitive, us-versus-them tribalism that says forces of evil lurk in the darkness plotting to destroy us.

One answer was by the mothers of Argentinian victims — quiet demonstrations week after week, month after month, until even the hawks are shamed into remorse. True, the remorse, like Mr. McNamara's, comes too late. But it is better than nothing.

It will be notice to America's allies that they can expect American economic pressure to back off from trading with a terrorist, nuclear-bent Iran. Representative Peter King, Republican of New York, says he will ask Congress to add on a boycott of foreign companies that do business with Iran. That should focus the attention of allies on whether they prefer to do business with Iran or America.

Most important to American ethics, the embargo will end the contribution of American capitalism to Iran's drive to become a military nuclear power within five to 10 years, with Russian and Chinese help. So the embargo should strengthen Mr. Clinton when he delivers the critical message to Mr. Yeltsin: The Russian decision to build a nuclear plant for Iran is a danger that the United States cannot tolerate.

The Clinton people naturally do not wish to push Mr. Yeltsin to the advantage of his Russian enemies. But that is not as great a danger as allowing Russia to sell Iran the power of nuclear blackmail or nuclear terrorism.

Bill Clinton has started the work of engaging with domestic and foreign terrorism, with allies abroad or without them. That's the story, and a lot more important than the distortions being held up to that work, so cynically, so destructively.

The New York Times

Clinton Has Started the Job Against Terrorism at Home and Abroad

By A. M. Rosenthal

ment embargo against Iran have been called to it unless of harm.

When the next bomb explodes in the next Oklahoma City, or when America has to decide whether Iran's nuclear plants have to be bombed before they produce weapons or after, these attacks on Mr. Clinton will no longer be important. But, as we wait, they serve as important symbols of how mean-spirited and suicidal American establishments can be.

In politics and journalism, the president's call to Americans to speak out against armed bigotry is being widely and deliberately twisted and distorted. In business, the automatic reactions to his decision to impose a trade and invest-

constitutional rights to spread paranoia at least should use their own right to speak against them. Platitudes — but important ones, since so few Americans stand up to speak against hate warriors of right or left.

In one speech, Mr. Clinton spoke a few words about some hate-mongering coming by radio, another piece of important obnoxiousness. They pounced — the commentators, columnists and Democratic and Republican politicians who would not forgive Mr. Clinton if he said that the sun would rise tomorrow.

When it comes to surveillance of domestic political groups, however, it would be wise to figure out how much authority the Justice Department already has to coordinate the federal response to the threat and enlisted the armed forces' expertise on nuclear, chemical and biological weapons — clearly make sense.

When it comes to surveillance of foreign political groups, however, it would be wise to figure out how much authority the Justice Department already has to coordinate the federal response to the threat and enlisted the armed forces' expertise on nuclear, chemical and biological weapons — clearly make sense.

The truth is that the embargo is of major importance. It weakens foreign confidence in Iran as an investment market and strengthens the domestic opponents of the increasingly unpopular regime.

Used properly by Washington,

and members of both parties in Congress are pressing for broader anti-terrorism authority. Some of the measures — like setting up a domestic counterterrorism center to coordinate the federal response to the threat and enlisting the armed forces' expertise on nuclear, chemical and biological weapons — clearly make sense.

Attorney General Janet Reno confirmed on television Sunday that "if you read the guidelines, I think they give the FBI the tools to do the job." The problem, she said, is that "the interpretation has been limited."

The reason is clear. In 1976, a Senate select committee concluded after 15 months of investigation that the FBI and other intelligence agencies had consciously and repeatedly violated the law and the constitution in building files on the political activities of hundreds of thousands of Americans, often without the knowledge or scrutiny of higher officials.

Asked by Senator Fred Thompson of Tennessee if present "guidelines" are not sufficiently broad, Ms. Reno replied: "No, senator. If these guidelines are interpreted broadly and proactively, as opposed to defensively, which has been the case for many, many years, I feel confident that within the four corners of those guidelines and the language therein, we have sufficient authority."

Deputy Attorney General Jamie Gorelick agreed, under questioning by Senator Arlen Specter of Pennsylvania, that surveillance of a paramilitary organization, like the volunteer militia led by people who use inflammatory anti-government rhetoric, "would be fully constitutional." She, too, said that such surveillance has not been ordered, because of

Mr. Specter's testimony. Ms. Reno responded to complaints from Mr. Specter about the "uncertainty" the guidelines were causing, and set up a working group in the Justice Department to see whether they could be clarified. That group has not yet reported.

But after the Oklahoma City bombing, President Bill Clinton

last November, according to Ms. Gorelick's testimony, Ms. Reno responded to complaints from Mr. Specter about the "uncertainty" the guidelines were causing, and set up a working group in the Justice Department to see whether they could be clarified. That group has not yet reported.

But after the Oklahoma City bombing, President Bill Clinton

had to make a Continental conquest. We must, however, hold the keys of China for a time, or else China would refuse the peace treaty and the war would have to be fought again.

That view appeared to surprise Mr. Specter. It points up the importance of knowing how far existing authority really extends.

If current guidelines, properly interpreted, are adequate to the situation, as Mr. Specter, Ms. Gorelick and Ms. Reno all say, then Congress

OPINION/LETTERS

The Roots of Evil Go Deep In This Violent Century

By Richard Harwood

WASHINGTON — Eric Hobsbawm, the brilliant British historian, begins his recent history of the 20th century, "The Age of Extremes," with quotations from eminent intellectuals:

Isaac Berlin, the British philosopher: "I have lived through most of the 20th century without, I must add, suffering personal hardship. I remember it only as the most terrible century in Western history."

Rene Dumont, the French agronomist: "I see it only as a century of massacres and wars."

William Golding, the British Nobel laureate: "I can't help thinking this has been the most violent century in history."

As Mr. Hobsbawm notes, our 20th century wars have been "total wars" against combatants and civilians alike. The casualties are measured in the tens of millions. The wars of centuries past were alley fights in comparison.

Civil insurrections in this century, most recently in Rwanda, have been characterized by indiscriminate intercine slaughters of indescribable cruelty. How many died in India and Pakistan after World War II, in Bangladesh, in Afghanistan, in the Middle East and Cambodia, in the Soviet purges, in the culling of millions in China of Mao?

Such deaths since 1914, by an estimate of Zbigniew Brzezinski, have totaled 197 million.

Terrorism has become an enduring fact of life and has found expression in the United States in the "Days of Rage" during the Vietnam War, in the bombings of abortion clinics, in the destruction at the World Trade Center and now in

Oklahoma City. Since 1900 two of America's 16 presidents and two of its presidential candidates have been assassinated, while one president and two presidential candidates have been wounded.

In Latin America, Britain and Continental Europe, soccer matches have set off murderous rampages. In the United States, more than a quarter of a million people have been murdered in the past 10 years, a greater toll than the loss of American lives in World War II.

The press has chronicled the violence of this century and yet seemed incredulous in its shock at the Oklahoma City bombing and naive in its surprise that it could happen in America's heartland. Blame is assigned willy-nilly to talk show hosts, inadequate security measures, weak laws and idiots who run around in the woods playing soldier.

The search for explanations and easy solutions reflects the immediacy of what we journalists do. The fact that terrorism and wanton killing are embedded deeply in the culture of this century is largely ignored, as if each incident were unique and incomprehensible.

The press is not equipped to grapple day by day with the complexities of the 20th century and with the social and economic convulsions that have occurred on a scale unparalleled in history.

We work hard to keep up with the body count, the FBI successes and failures, the heartbreaking stories of survivors, the fixing of blame. But there are continuities here arising from universal conditions over which the press, governments and other institutions



have little control or none at all.

We can say, as the president and others imply, that "right wing"

talk-show hosts share in the blame.

But they had no part in the revolutionary episodes of the late 1960s

and '70s, when university students

protested and participated in simi-

lar assaults on governmental insti-

tutions and Establishment targets.

The murderous Shining Path

movement of Peru, as Mr. Hobs-

bawm puts it, was "an undesired

gift of the staff and students of the

University of Ayacucho." So, too,

the Red Brigades of Italy and Ger-

many and their counterparts in

Nicaragua, El Salvador and other

countries of Latin America where

anti-government insurrections

were largely organized and led by

leftist students and intellectuals.

The point is not right or left but

alienation, anger, frustration and Marxism failed miserably. Capitalism since 1945 seemed more successful, but in recent years the gulf between rich and poor has grown. Endemic violence is one result.

The press is powerless to fix things. But we should not be simplistic in analyzing the condition of society. As Mr. Hobsbawm concludes: "Since the middle of the century ... the branch of [the old civilization] has begun to crack and break ... The old maps and charts which guided human beings singly and collectively through life no longer represent the landscape through which we move, the sea on which we sail ... We do not know where our journey is taking us, or even ought to take us ... Let us hope it will be a better, juster and more viable world."

The Washington Post

LETTERS TO THE EDITOR

Misdirected Anger

I'm sure that I am not alone in being troubled by the Japanese transport minister's comment about the United States making "slaves" of the Japanese ("Minister Says U.S. Enslaving Japan With Strong Yen," Business/Finance, April 29). Slaves are, of course, forced to work without reward. It is unfortunately true that the hard-working and diligent people of Japan are not adequately rewarded. Thus, the minister may have some justification in comparing his compatriots to slaves. Where

he errs is when he assigns the blame. There is only one power on earth that has both the capacity and, it would seem, the desire to deprive the Japanese people of the just fruits of their efforts; that power is the government of Japan.

JOHN E. RAY.
Fontenay-Trésigny, France.

Terror Is Terror

Regarding "The International Dimension of Terrorism Remains" (Opinion, May 2):

In his column, Stephen S. Rosen-

feld argues that "the difference between international and domestic terrorism is that—in America, anyway—the authority and resources of the state are on the right side." This will come as a surprise to those who thought they saw President Bill Clinton buddy-up to Gerry Adams, leader of the political arm of the Irish Republican Army, recently at the White House. Perhaps, after the Oklahoma City bombing, Mr. Clinton may come to understand the disgust many Britons feel at his actions. Perhaps it might be fitting for the president to invite to the White

House some Northern Irish children orphaned by the Irish Republican Army to help them calm their fears.

MICHAEL TAYLOR.
Hong Kong.

Not Too Late for Burundi

Reporting on Rwanda and Burundi unfortunately has reinforced the mistaken perception that both countries are traveling down the same road toward genocide. This distinction bears testament to the differences between the two states. The opportunity for preventive action still exists in Burundi.

AMYN HASSANALLY.
London.

the Kibeho massacre will inevitably affect the delicate ethnic balance in the country.

Bujumbura, the capital of Burundi, is now almost entirely inhabited by Tutsi, and two of the last three Huu presidents have suffered violent deaths. Still, the country has not descended into genocide. This

is increasingly important that the

press continue to monitor events

in Burundi, as the ramifications of

Treated Like Dog Meat — But Check Our Stereos!

By Ted Rall

BERKELEY, California — Any-one who doubts the contention of co-president Newt Gingrich that government is optional should check out the success story that is Generation X.

The people who usually appear on this page are worried that we are neglecting our children. America's future. The fact is, 20 million young

MEANWHILE

adults are making it — without help from bureaucracy, religion or family.

These are heady days for those of us who always suspected that treating people like dog meat is a recipe for a better breed of citizen.

No more will weak-willed social engineers and their fellow travelers in government fall for the trap of "caring," "helping" or other outmoded social policies.

And we developed the rave/youth culture, which besides providing a sense of community also saves on rent since you can just go from one all-night rave party to another for the rest of your life.

• Dead Institutions.

The 20th century has seen the death of traditional religious, social and political institutions and has offered nothing new to replace them. Older people see nothing in this but chaos and despair, but 25-to-35ers see a chance to use Quark to publish cool magazines about the death of traditional religious, social and political institutions!

• Cultural Neglect.

"Cusp kids" — those born between 1960 and 1970 — actually benefited from the mass media's obsession with the boomers. Free of the glare of public attention, they came up with stunning innovations: guitars that require no musical training to play, poetry without words, the quadruple latte. My generation is extremely concerned about congressional proposals like giving higher tax credits for children. Why change the way we treat kids?

Smothering the next generation of Americans with affection and attention would deprive them of the chance to test themselves in the same atmosphere of Social Darwinism that made us strong.

Before Capitol Hill acts on these dimwitted proposals, we should remember what the writer Bret Easton Ellis might have said, but didn't: "Doing bad stuff is wrong."

The writer, a syndicated cartoonist, is author of "Waking Up in America." He contributed this comment to *The New York Times*.

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EXPECT GREAT THINGS

EUROPE

After 2 Successive '100-Year Floods,' Dutch Brace for New Battle

By William Drostiak
Washington Post Service

ON EASTERN SCHELDT DAM. Netherlands — From the time the first dikes were built here in the 10th century, the Dutch have been in a constant battle of survival against the fickle forces of water.

The global trading ports and fertile farmlands that flourish at the confluence of the North Sea and Europe's largest river delta have assured much of the Netherlands' traditional prosperity.

But as the name implies, vast tracts of the Netherlands lie below sea level, and more than half the country would be submerged if not for its vast network of maritime man-made defenses.

When the monumental dam that bridges the eight-kilometer (five-mile) stretch of water between Schouwen and Noord Beveland at the mouth of the Eastern Scheldt inlet was completed in 1986, the Dutch believed that their war against the sea had finally been won.

The \$5 billion Delta Project, launched after

the worst flood disaster in Dutch history resulted in the deaths of more than 1,800 people in 1953, was celebrated as one of the world's greatest engineering marvels. It managed to protect the population with storm surge barriers, yet preserve the estuary's valuable fishing industry by permitting tidal flows.

But now, two successive years of devastating "floods of the century" have triggered alarm bells that the Dutch people must start mobilizing for a fresh campaign to salvage the future of their lands. According to the country's leading flood specialists, new disasters loom because several threats are coming to a head.

The Dutch lowlands that emerged from marshes at the end of the last Ice Age 10,000 years ago are sinking at the rate of 25 centimeters (10 inches) a century. Meanwhile, sea levels are rising, a phenomenon attributed by some scientists to global warming that causes the polar ice caps to melt.

Henk Saags, the country's chief director of water management at the time of the Delta Project, says that even if the greenhouse ef-

fect is stabilized, the North Sea will rise 77 centimeters in the next 50 years.

More ominously, experts fear that excessive cultivation of farmland and too much industrial and residential development near major European waterways, such as the Rhine and the Scheldt, have dramatically raised the flood threat from those rivers. In February, more than a quarter of a million people were forced to flee their homes when the Rhine's tributaries, the Waal and the Meuse, burst their banks and nearly overwhelmed the inland dike system.

Some lessons from the latest inundations are becoming clear. As forests are depleted and farmers try to extract ever bigger harvests, much of the land's natural absorbency is being lost. As humans seek waterfront views in villas or apartments along the Rhine, the need for ever-larger evacuations is growing during the seasonal floods. And no matter what the Dutch do, their future protection depends more than ever on cooperation from neighbors in Belgium, Germany and France who live upriver.

Mr. Saags and other specialists who have

been asked to examine the underlying causes of Europe's great floods of the last two years have reached some early conclusions that portend serious political controversy, one that is likely to cause a drain on the national treasury no matter how it is resolved.

Even before winter's muddy mess was cleaned up and the claims started pouring in for billions of dollars' worth of flood damage, a momentous clash was brewing. On one side are the developers and a large number of waterfront residents who want to curtail their investment risks, and on the other, the powerful Dutch lobby group of environmentalists and fishermen who argue that humanity must embrace the need for conservation measures.

"It is important to reinforce the dikes, but the only lasting solution is to give the rivers more room," Mr. Saags said in an interview.

That judgment could mean severe dislocation for many of the Netherlands' 18 million citizens, two-thirds of whom live below sea level and thus face a continuing danger from floods. It is a prospect that not only presents a nightmare for the population, but also for

the government. Prime Minister Wim Kok is bracing for the biggest challenge of his political career as he tries to find a compromise that will satisfy the rival forces: a desire by communities for flood protection at any cost and a yearning to preserve the maritime cultures that have ensured the nation's main livelihood.

The Netherlands has a long history and a great reputation when it comes to protecting itself from the sea." Mr. Kok declared top Parliament at the height of the February floods.

"Now that the dangers of the river appear to be bigger than anyone could have imagined, we'll have to show what we're worth."

For inspiration as well as know-how, the Dutch government is looking back at the successful Delta Project to determine how the same kind of ingenuity can be applied in the quest to tame the rivers more.

As masters of hydraulic engineering, the Dutch remain peerless. Their exploits in pushing back the sea have prompted a deluge of solicitations for advice from fellow flood sufferers — from Bangladesh to China, from Venice to the Mississippi lowlands.

103 Journalists Killed in 1994

Reuters

PARIS — A media rights watchdog group said in a report to be released Wednesday that at least 103 journalists had been killed in 1994, which it called "a terrible year in the history of journalism."

Almost two-thirds of the slain journalists — 48 — were Rwandans, representing half that country's press corps.

The Paris-based Reporters Without Borders said in its annual report that most of the United Nations' 185 member nations "censor, jail, torture or even kill troublesome journalists" with impunity. Only 50 UN member states respected press freedom, it said.

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Beethoven Scores at the Center of Polish-German Cultural Dispute

By Jane Perlez
New York Times Service

KRAKOW, Poland — Hundreds of original manuscripts that include symphonies by Beethoven in his heller-sketchy scrawl and operas by Mozart in his most politically charged cultural-heritage cases in Europe.

The extraordinary collection of 400 scores, which some musicologists say is the single most valuable batch of music

manuscripts, was once the centerpiece of the Prussian State Library in Berlin. In addition to original works by many of the great composers from the 12th to the 19th centuries — Haydn, Schubert, Schumann, Brahms and Bruckner as well as Bach, Beethoven and Mozart — the collection includes precious volumes of 300-year-old natural history paintings, writings by Goethe and thousands of books and manuscripts dating from the Middle Ages.

Since the end of World War II, the Berlin collection, as it is generally known, has been in the Jagiellonian Library in

Krakow, mostly shrouded in Cold War secrecy and off limits, until 15 years ago, to scholars.

Now, Germany wants the collection back, and high-level negotiations, which broke off two years ago between the German and Polish governments, are resuming in Berlin.

The case of the Berlin collection is one of the most unusual in the tangled web of cultural-heritage claims since the war. Unlike paintings now in Russia that were taken from Germany by the Soviet Army or art stolen from France by the Nazis, the

manuscripts were not looted from Berlin by the Poles.

Indeed, the music manuscripts and other books are in Poland because of a German desire to find a safe haven for some of their most magnificent treasures. The manuscripts, which include Mozart's "Così fan Tutte," Mendelssohn's "Midsummer Night's Dream," Brahms' "Song of Triumph" and Beethoven's Eighth and Ninth symphonies, were packed into crates by the Nazis when the British began to bomb Berlin in 1941 and trucked to a monastery in Grussau, near Breslau (now

Wrocław) in southern Silesia, which was then part of Germany. The treasures were stored in a church.

At the end of the war, with the hiding place redrawn into Poland, the authorities moved the hundreds of boxes out of the organ-lofts of the church to the Jagiellonian Library. The Communists declared the collection to be state property and ordered the librarians to keep silent. The existence of the manuscripts was generally confirmed in 1977 when the Poles presented six of the most spectacular pieces — including Beethoven's Ninth and Mozart's "Zauber-

föhn" — to Erich Honecker, the Communist leader of East Germany.

But the gifts were only the tip of the collection. Many Poles, who are still resentful about the willful destruction by Nazi troops of Poland's art treasures and two-thirds of its national book and manuscript collection, want to keep the Berlin collection as reparations for damage done.

Beyond that, the Poles make note of a growing sentiment in international cultural circles: that a shared heritage of mankind is more important than any national heritage.

LONDON THEATER



Miriam Margolyes in "The Killing of Sister George," above, and Corin Redgrave in "Casement."

'Sister George': Strange Coziness

By Sheridan Morley
International Herald Tribune

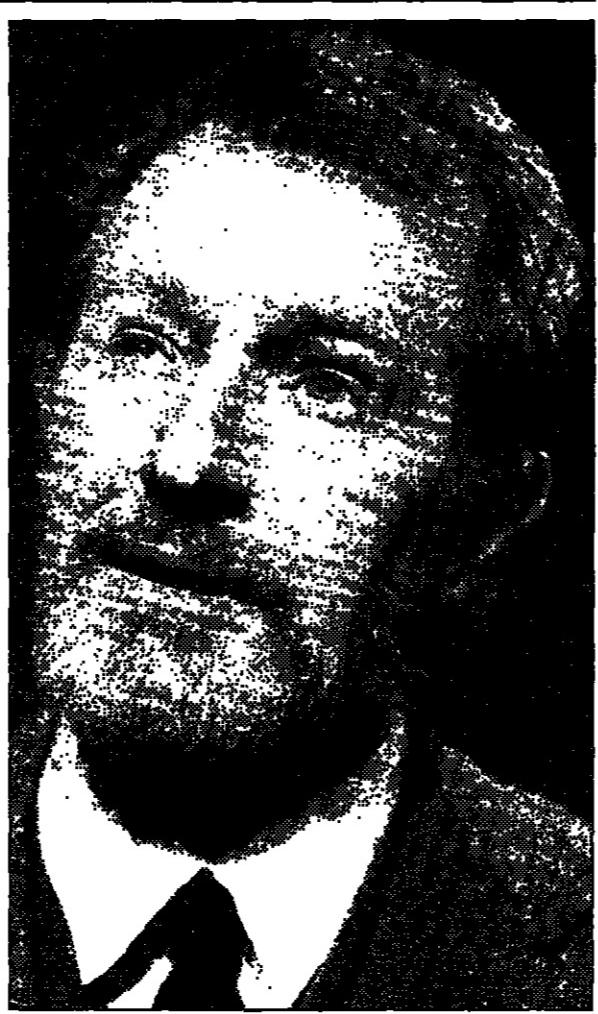
LONDON — Now in its first major revival since the first London production of 30 years ago, Frank Marcus's "The Killing of Sister George" (Ambassadors) comes back to us in a curiously softened form. This was one of the last plays to fall foul of the censorship of the then-Lord Chamberlain, because of its staging of a lesbian marriage, but the play is really about an altogether different obsession, that of the English for their soap operas.

The "Sister" of the title is a bicycling district nurse in a daily radio series; in real life she's an actress called June Buckridge, suddenly faced with her character's imminent demise on the air and worse still, the loss of her childlike female lover to a predatory BBC executive, the very one who has ordered her professional death.

Marcus was writing a wonderfully savage indictment of BBC double standards that got mistaken for a lesbian breakthrough. The present revival is oddly unwilling to focus on the undoubtedly sadomasochism of the original. When Beryl Reid and Eileen Atkins played the two lovers there was nothing gentle or cozy about their alliance; somehow, with Miriam Margolyes and Scena Evans, a certain coziness has overtaken what was once more dark and sinister, and the result is still hugely enjoyable but a lot less threatening in its study of professional neurosis and private heartbreak.

Margolyes is rampant in the Margaret Rutherford vein, shaking not just her chin but her whole self in an some vast body protest against a world that has somehow doubled her size and halved her earning prospects, but Josephine Tewson as Mrs. Mercy Croft lacks the icy bearing of Ambrosine Phillips in the first staging of Coral Browne in the film. "George" is not quite herself.

At the Riverside, the Redgrave season that got off to such an appalling start with "The Liberation of Skopje" begins to retrieve itself with Alex Ferguson's "Casement," a worthy if somewhat midafternoon radio account of the Irish patriot Roger Casement, who was hanged as a



traitor, but more specifically a gay, during World War I.

Ferguson's episodic, sketchy chronicle is hugely dignified by Corin Redgrave who is increasingly impressive in the title role and indeed his own current career. It also makes some intriguing political points about the reason Casement's homosexual diaries were made public at the time of his arrest, so that there would be no public sympathy for what was otherwise a good defense. Redgrave co-directs with Gillian Hambleton, and while it would have served "Casement" better to have a stronger supporting cast and an outside producer, this is still a useful if sometimes leaden historical drama.

The essential problem with it is that we are told a lot about why Casement had to die, but very much less about what made him live: brief, uneasy flashbacks to his time in the Congo suggest that he formed an early anti-imperialism that made it natural for him to try to form a rebel army that would side with Germany, but nothing in the play really clarifies his admittedly muddled thinking. In truth, he was a patriot who could never quite work out which nation to be patriotic about: Ireland, Germany or even the England to which he also owed familial loyalty.

But none of that excuses Asquith's determination to have him hanged at all costs, and Ferguson's play never quite allows us close enough to Casement. A heroic play is difficult enough to pull off, especially when you haven't quite created a hero.

Rona Munro's "The Maid-

er Stone" comes to the Hampstead proudly bearing the subtitle "Peggy Ramsay Play 1995" to indicate that her executors have financed its production to the extent of £50,000 (\$80,000). The only problem here is that, in my limited experience of her, Ramsay was a hugely astute and theatrically aware agent who would have hurled this script across the office once she realized it came complete with a glossary of prehistoric Scots dialect and a lot of unfathomable characters rolling around in mud.

Ramsay knew a good play when she saw one, but she also knew enough not to want to

plunge us back into the dead world of John and Margaret d'Arcy and the very worst agony-drama angst dramas of the late 1960s, when to have a cause was reckoned a suitable substitute for plot or entertainment. The setting is the northeast of Scotland in the early 19th century, where we find an English actress with starving children and a determined husband unfathomably convinced that packed houses and theatrical acclaim await them just around the next crag. We also get a mad old bat called

Bigie, who doubles up as midwife, witch and campfire bore. Then we get assorted mad infants, the devil disguised as a wandering soldier, and at any moment I was hoping for the entire cast of "Cold Comfort Farm." But no such luck: just an interminable three hours of abiding doom and gloom among the winter hills.

To be a traveling player in abject poverty and a Scots winter almost 200 years ago must have been just awful, but at least they didn't have to do plays like this.

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| VIENNA | |

Music Theater From the Holocaust

By David Stevens
International Herald Tribune

PARIS — Terezin, or Theresienstadt, north of Prague, was a Habburg garrison town that became a Nazi concentration camp, partly a way station to Auschwitz, and partly a place where artistic activities were tolerated or encouraged as a means of coming the international community.

Musical performance was at first clandestine, then open, and one of the musicians in the camp was Viktor Ullmann, then in his mid-40s, a former pupil of Arnold Schoenberg and an established composer and conductor in Prague when the war began. In the camp, he served as the music critic, but he also composed a remarkable amount, including a string quartet, three of his seven piano sonatas and an opera, "Der Kaiser von Atlantis."

The hourlong and necessarily small-scale opera tells of Overall, emperor of the corrupt state of Atlantis, whose efforts to foist war and pestilence are foiled because Death refuses to participate. Not until the emperor agrees to be the first victim does Death agree to go back to work. How such a transparent allegory ever got to the rehearsal stage under Nazi eyes in 1944 is amazing.

The stipends to Auschwitz, which included Ullmann and his wife, did not stop, and the opera was not performed then. But Ullmann left his compositions and writings with a friend and they survived, surfacing in England long after the war. The opera had its premiere in Amsterdam 20 years ago and is now having its first French performances.

The work is for five singers and a 13-piece orchestra, including banjo and saxophone, and its musical climate is somewhere between the acerbity of Schoenberg's chamber orchestra music and Kurt

Weill's jaunty cabaret manner. The score's numerous citations include references to "Deutschland über alles" and Luther's "A Mighty Fortress."

In performances in the dry acoustics of the Pompidou Center's concert space, Paul Méfano conducted the combined forces of his Ensemble 2e 2nd and the Ensemble Voxnoxa, in a conscientious but uneven realization. The baritone Pascal Sausy as Overall was the vocal pillar of the cast.

Serge Noyelle's staging and designs made clever use of a field of metal rods to suggest a maze-like environment from which no one is likely to escape. The emperor was costumed as a military man, but without suggestions of any particular personality, while the figure of Death might have been a fugitive from a particularly extravagant transvestite cabaret act.

Performances in the Paris area are May 8 at Champigny and May 12 at Châlons.

'Tommy' Takes to German Stage

By Brandon Mitchener
International Herald Tribune

OPPENBACH, Germany — There is a scene at the start of "Tommy" in which Nazi soldiers shoot down a plane in which the unborn child's father is flying over wartime Germany. Chilling enough anywhere, the scene is macabre when it is played out with the sound of air raid sirens and machine gun fire beneath the main dome of a former synagogue.

Although "Tommy" is not a story about war, both the setting and timing of the hit Broadway musical's European debut — coinciding with the 50th anniversary of the end of World War II in Europe — add to the power of its message of redemption, rebirth and reconciliation.

Unique among the new musicals hitting German stages, "Tommy" combines the stunning visual effects of modern multimedia productions with its original English lyrics and a sophisticated rock-and-roll score, including such songs as "Pinball Wizard."

At a preview last week, author Pete Townshend, co-founder of The Who, and director Des McAnuff, whose abstract, dreamy sets helped the 1993 Broadway production win numerous awards, called the Offenbach theater a "secular temple" that helps convey the story's spiritual message.

The production reunites McAnuff with Wayne Cilento, the original Broadway choreographer, who won a Tony Award for his work, as well as Michael Cerveris, the Grammy-winning original Tommy from Broadway. It is the first time "Tommy" has been performed in Europe since The Who sang the original rock opera here in the 1970s.

It tells the story of a young boy who draws himself into an emotional and spiritual shell at the age of 4 after witnessing his father shoot his mother's lover. His plaintive cry, "See me, feel me, touch me, heal me," goes unheard for the next 15 years as he is sexually abused by a drunk uncle, passed from one clinic to another and subjected to ridicule as the "dead, dumb and blind boy" of the neighborhood.

Introduced to a pinball machine as a lark, Tommy unexpectedly becomes a master of the silver ball and an improbable cult hero.

Then he becomes a new form

of withdrawal until a third shock sets Tommy free to seek reconciliation with his family, a return from "therapy and disasters" that Townshend said he did not personally experience

until a much later age.

Cerveris delivers an impressive performance, one that is demanding both physically and artistically, as the guardian angel and teenage Tommy. So do supporting members of the cast, who were drawn from the United States, England and Germany. (Perhaps a reflection of a highly diverse audience, the scantly clad Gypsy queen got almost as much applause as the star.)

Other new musicals hitting stages in Germany — "Starlight Express," "Miss Saigon," "Les Misérables" and "Sunset Boulevard," to name a few — will doubtless cater to a public that has long been starved for popular stage musical entertainment, but the

story and setting of "Tommy" arguably offer more.

For those who care to look, the Offenbach theater tells a story of its own. Faded graffiti on the stark stone walls outside bear witness to a dark tale of subjection that included use as a meeting place for Hitler Youth conventions. A plaque outside commemorates its conversion to cultural use as a municipal theater "after the reassertion of decency and order." The synagogue's latest incarnation both restores much of its former dignity by liberating a dozen Doric columns and gives it new life and meaning as a subliminal participant in the simple story of "Tommy," of suffering and reconciliation.

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INDIA

RICHARD DORSON

Booming Bombay, India's commercial capital: With a stable rupee and foreign-exchange reserves of over \$21 billion, India's economy — spurred on by liberalization reforms — is attracting investors.

TELECOM SECTOR OFFERS EXCELLENT INVESTOR POTENTIAL

Only one out of every 100 Indians has a telephone, and the network outside major cities is spread very thin.

By the end of 1994, India had a network of around 19,300 telephone exchanges with a capacity of about 10.5 million lines and 9 million working connections.

In the 10-month period ending January 1995, the country's department of telecommunications added about 915,000 connections.

or 34 percent more than it had done in the same period the previous year. But this is still inadequate, and the public sector alone cannot cope with the fast-growing demand.

Major input needed
The country also needs to improve the quality of its ex-

isting telecom services, to expand facilities like conferencing and data transfer, and to introduce new technologies like cellular telephones and paging services.

Telecom Commission chairman R.K. Takkar says that by March 1997 telephones will be supplied on demand. He also anticipates

that there will be one public communications office (PCO) for every 100 urban households and a PCO for every village in the country.

To reach that target, however, a 230 billion rupee investment is needed, which the government does not have. There is no option but to privatize. Eight projects

have been awarded licenses to operate cellular services in India's major cities: Hutchison Max (Hutchison Whampoa, Hong Kong) and BPL System (France Telecom) in Bombay; Bharti Cellular (with General Mobile U.K. and SFR France as partners) and Sterling Cellular (Cellular Communications International of the United States) in New Delhi; Skycell Communications (Bell South of the United States) and Mobile Telecom Services (Vodafone U.K.) in Madras; and Usha Martin (Telekom Malaysia) and Indian Telecom (Telstra Australia) in Calcutta.

In May 1994, the government announced its National Telecom Policy, which opens up basic telephone services to the private sector — both foreign and Indian.

In September last year, the government announced entry guidelines for basic services, including the norm of one private operator each in 18 circles (telecom districts) covering the entire country. The government has also proposed the creation of a Telecom Regulatory Authority.

Investors flocking in
The response has been overwhelming. As many as 74 companies have purchased tender documents for basic services in the 20 areas proposed to be privatized.

A tender for cellular services throughout the country (excluding the four major metropolitan areas, which have already been awarded

to private groups) has drawn a response from 75 firms.

The potential for business is big, and global players have positioned themselves to profit from it. AT&T has joined Tata Telecom in a project to make transmission equipment and has an agreement with Tata Industries to make switching systems.

Philips will be marketing pagers in India, and Motorola will market pagers and modems. Ericsson has invested in switches and optical-fiber production facilities. Fujitsu is another new player in the switching equipment market.

Significant share
Some of the players will have an edge. Siemens Ltd., the main Indian subsidiary of Siemens AG of Germany, has offices all over the country, and expects to win a significant share of the switching equipment business.

Siemens has local manufacturing facilities for the entire range of telecom equipment and services, from switching and transmission equipment and fiber-optic cables and accessories to PABXs, cordless phones and software.

Siemens' managing director, Konrad Penstreich, anticipates a 9 billion rupee market in mobile phones in five years. In this area, Siemens has a strategic alliance with Motorola and hopes to gain a significant share of the market. Motorola plans to invest \$130 million to \$150 million in its Indian operations.

LIBERALIZATION POLICY BEARS FRUIT

Leaders are voicing a consensus on economic reform.

In 1991, when P.V. Narasimha Rao, India's prime minister, first proposed that the country adopt economic reforms, few people believed he would succeed.

The reforms Mr. Rao supported have gained momentum, however, and India's economy, which was in deep crisis in 1991, is booming. India's foreign exchange reserves, which were barely a billion dollars, have passed the \$21 billion mark, and the Indian rupee is stable.

The government is now more worried about the inflationary impact of capital inflows than about how to pay for imports, which had been a problem for decades. Exports are booming, and Indian industry is producing better-quality products at a lower cost thanks to liberalization.

In the fiscal year ending March 1995, exports were nearly 40 percent higher in dollar terms than they were in fiscal year 1992.

Foreign direct investments have shot up as well. In 1994, foreign investments valued at \$2.85 billion were approved, not bad for a country that in the past had not encouraged foreign investments. Just over 5,000 foreign collaboration agreements, adding up to a total worth of \$25.27 billion rupees, were approved between 1991 and 1994.

Cash and technology

Some markets in the country are growing by 15 percent, 20 percent and even 30 percent a year. And they are attracting a growing number of investors, including General Electric in a host of businesses; Acer, Apple, Compaq, DEC, Dell, Hewlett-Packard, IBM, Microsoft and Sun Microsystems in computers; AT&T, Alcatel, Ericsson, Fujitsu, and Motorola in telecoms; Coca-Cola, PepsiCo, Grandmet, Kellogg, McDonald's and Unilever in foods; Electrolux, Hitachi, Matsushita, Philips, Sanyo, Sony, Thomson, Toshiba, and Whirlpool in white goods and consumer electronics; and Daewoo, Daimler-Benz Fiat, Ford, General Motors, Hyundai, Mitsubishi, Peugeot, Rover, Suzuki, Toyota, Volkswagen and Volvo in the automotive sector. These groups are bringing in new technology as well as funds.

Groups like the Swiss-Swedish Asea Brown Boveri (ABB) and Siemens of Germany are planning large investments in India. ABB alone plans to invest

\$1 billion in India in the next five years.

Yet inflation is still causing concern. Last year, India's inflation rate reached 11 percent after having dropped to 6 percent in the previous year. Unlike in Latin America, such a rate is politically unacceptable in India. So it came as no surprise that the new 1.7 trillion rupees (\$55 billion) budget announced by Finance Minister Manmohan Singh on March 16 gives top priority to fighting inflation.

The government has made wide-ranging cuts in import tariffs on products ranging from computers and machine tools to metals and petrochemical feedstocks. Some rates are down to between 10 percent and 15 percent. This will help Indian producers reduce costs and improve quality, and force companies to become more competitive.

The reduction in tax rates and the tightening of tax collection have improved revenues, and industrial expansion (with a growth rate of nearly 10 percent last year) has added to government coffers. The remarkable economic turnaround has also weakened the case of those who oppose reforms in general. The result is a near-consensus across the political spectrum on the need for reform.

For the past four years, international investors wondered whether the reforms would endure. Given the slim majority the Congress Party had at the federal level, along with growing opposition, many feared that if the ruling party lost, reforms would end.

The doubters have been proven wrong. Although the Congress Party lost state legislatures in recent elections, new leaders are voicing their own commitment to reform, and the states are all vying with each other to attract business.

Investors bullish

No wonder then, that institutional investors are bullish. India has been rated among the most promising emerging markets, ahead of Mexico, Pakistan, China and Sri Lanka. While share prices on the Bombay Stock Exchange are depressed, company results for the fiscal year that ended on March 31, 1995 and for the next fiscal year are expected to be very good.

A World Bank study predicts that India will be the fourth-largest economy in the world in the year 2020, behind China, the United States and Japan.

AUTO SECTOR SHIFTING INTO HIGH GEAR

Foreign investors are flocking to carve a niche in India's burgeoning car market.

India's automotive industry is about to enter the fast track, with nearly a dozen global automotive players planning large investments in this sector.

The largest U.S., European and Asian players have all made plans to launch car, truck and two-wheeler models in India, and some of them are looking at India as a production base for global sales. All the projects are joint ventures with Indian groups.

Among the most high-profile of these new ventures is the one between Daimler-Benz and the Tata group's Telco, India's biggest truck maker, which has diversified into cars with in-house technology. Some 20,000 economy models of Mercedes-Benz cars for the Asian and Indian markets are to be produced.

The cars are expected to roll out of the Indian factory

being built next to Telco's existing plant in Pune, near Bombay, later this year.

Daewoo and India's DCM group will jointly produce the Korean group's Cielo in India. The response to the initial promotional efforts has been so good that Daewoo has already decided to augment capacity. General Motors' German unit, Opel, will be making its popular Astra model in a joint venture with Hindustan Motors, and Peugeot its 309 model at a plant to be built in collaboration with Premier Automobiles Ltd. in Bombay.

U.S. carmakers
Last October, the industry was given a surprise when off-road vehicles maker Mahindra & Mahindra, which has been making a version of the Jeep in India for the past few decades, decided to join up with Ford Motor Company to make the

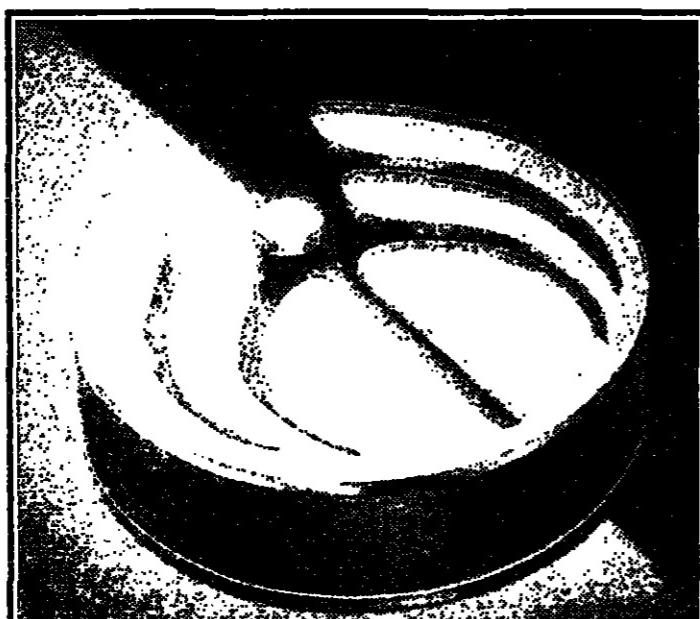
India, over 21 percent more than in the previous year. Over 200,000 light, medium and heavy commercial vehicles were sold in the same period, more than 35 percent more than the previous year.

New tax laws beneficial
This year, new tax regulations will provide some relief to the automotive industry. The import duty on engines and engine components for completely knocked-down imports has been reduced from 65 percent to 25 percent, and the effective countervailing duty from 20 percent to 15 percent.

The budget has also reduced the customs tariff on components that are interchangeable with motor vehicle parts to 25 percent. The tariff on the import of cold-rolled steel coils has been cut from 50 percent to 40 percent.

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IN THE EMERGING MARKETS



India: Asia's emerging success story. Industrial Development Bank of India, India's foremost financial institution, is the key player in India's industrial transformation. And with liberalization sweeping the country, it is playing a pivotal role in helping India integrate into the world economy.

For foreign investors looking towards India, there is no better place to start with than IDBI. Intimate knowledge of India's complex and inter-related markets. Expertise of diverse industrial sectors. Feel of economic trends. Products and services ranging from project funding to merchant banking. A team of committed professionals ... Everything you would expect from the world's 10th largest development financing institution with diversified assets of over US \$ 11 billion and a net worth of US \$ 1 billion. As a forward looking financial institution, IDBI is equipped to face future challenges and help India take its rightful place in the global markets.



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UWA PICTURE - 1990

SPY/India

REAL ESTATE PRICES SPIRALING UPWARD

The gap between supply and demand has now become a chasm.

Housing is one of the basic needs of the Indian population that decades of socialist policies failed to satisfy. Faulty policies of the past constricted the supply of housing units in rapidly growing cities, and demand is far outdistancing supply.

Although data on housing in India are hard to compile because of the lack of information on housing starts and completions, conservative estimates put the shortage of residential units at over 35 million, more than the entire housing stock of many developed countries.

Acute housing shortage

The gap is expected to grow to 50 million by the turn of the century. Given the acute shortage of houses, property prices are spiraling upward in fast-growing cities like New Delhi and Bangalore.

But the city where the problem is felt most is Bombay, the country's commercial capital and the preferred location for many companies, especially financial sector groups, to set up their corporate headquarters.

The government's liberalization program is attracting a growing number of overseas companies to India, and they have added significantly to the demand for better-class office and residential property, thus pushing prices

higher. Indian groups have also been expanding operations in Bombay, although they are shifting out of the pricey southern part of the city and moving their offices closer to the city center.

Prices skyrocketed

Real estate prices in Bombay skyrocketed when the Indian government allowed nonresident Indians and foreign companies to buy immovable property, and subsequent property speculation has fueled the rise.

In western Bandra, in the central part of the metropolis, residential apartment prices have risen from 1,500 rupees to 3,000 rupees (\$45-\$90) per square foot in 1990 to 8,000-11,000 rupees per square foot this year.

Commercial property rates there have shot up from 2,000-3,500 rupees in 1990 to 4,000-15,000 rupees.

The costliest residential building in India's commercial capital has opened at Nariman Point, next to the Arabian Sea in south Bombay.

The going rate for the 88 flats in the 22-story building is reported to be 30,000 rupees (\$900) per square foot.

Relief possible

Some relief may be around the corner. The country's big business groups are entering



An expanding market has led to modern office buildings dominating the Bombay skyline.

RICHARD DODSON

the real estate sector, something they had difficulty doing during pre-reform days.

Many of these companies

have also been increasingly inconvenienced by the shortage of residential accommodation in places like Bombay, which often becomes a hindrance when they try to attract good managerial and technical talent.

Owning their own apartments helps. Now many top groups — including Tata, Godrej, Essar, Mahindras, Videoton and Great Eastern — are going beyond providing hous-

es to their own employees and are looking at real estate as a highly profitable business proposition.

No end in sight

Real estate agents say property prices will continue to rise steeply over the next few years.

One way the government can inhibit the upward spiral is to release the large tracts of land owned by Bombay's textile mills, many of which are closed

because of the financial constraints of operating in the expensive city.

HEALTHIER OUTLOOK FOR BANKING

Greater independence for banks has resulted in stronger balance sheets.

In 1991, when the recently elected government in New Delhi decided to reform the Indian economy, it determined that dismantling licensing and other controls on manufacturing would not be enough; the Indian financial sector had to be revamped if manufacturing were to grow.

The Indian banking system, once characterized by very rigid controls, is more independent today, and balance sheets are in much better shape than they were four years ago.

Three years after the beginning of economic reform, most of the difficult work of deregulating the Indian banking system has been completed. Banks have been recapitalized to meet minimum BIS standards. Their accounting policies are more transparent, and prudential norms on income recognition and provisioning are enforced. Asset quality has also improved.

Competition has intensified. It has become easier for foreign banks to begin or expand operations (23 foreign

will mutual fund and other activities. Housing financing is another area that should grow rapidly, given India's shortage of some 35 million houses, a figure that could rise to 50 million by 2000.

Given the new business opportunities, D. Basu, chairman of the State Bank of India, the country's largest commercial bank, is confident about the future: "I'm not worried about disintermediation reducing the size of our loan book," he says. "We're finding new credit needs coming up which will bring us good business. Infrastructure projects, for example."

Mr. Basu also expects "the middle market" to grow rapidly. He says the SBI has had strong relations with many mid-sized companies, which are now growing fast and will stick with the SBI, he believes. One of SBI's major strengths is its 8,700-plus branch network, the biggest in the world.

Streamlining

One problem remains: Public-sector banks are overstaffed and must be streamlined. India's banks directly employ about one million people, of whom about 300,000 work for the SBI

and its subsidiaries. But, given rapid economic growth, banks will gain time to adjust, and most of them can grow out of their problems.

Another bank that should do well is the Industrial Development Bank of India, the 10th-largest development financial institution in the world. With its large corporate clientele and the leading role it is expected to play in the financing of large projects, the IDBI should have plenty of business opportunities. As its chairman and managing director, S.H. Khan, explains, the IDBI has been actively expanding and diversifying in areas such as merchant banking, equipment leasing, venture capital and corporate advisory services. The IDBI will also probably be the Indian bank in the best position to raise funds at low rates.

Major changes are expected when the larger banks begin to offer shares to the public. The IDBI issue expected later this year should be among the most attractive of these.

At least three other public-sector banks, including the Bank of Baroda, Canara Bank and Punjab National Bank, are expected to list their shares on the stock ex-

change. That should help double Indian banks' share in total market capitalization, currently a little under 5 percent, half of it accounted for by the SBI.

The Punjab National Bank, for example, was allowed by the finance ministry to write off over 4.25 billion rupees after it merged with the loss-making New Bank of India. And, after the bank raises equity from the market, which, according to its chairman Rashid Jiani, will be sometime after July this year, the picture will look a lot better.

The government nationalized the biggest banks in the country beginning in 1969 with the aim of making credit available to fund-starved agriculture and small industry. Branch networks expanded, savings grew, new entrepreneurs were encouraged and more capital was available for agriculture.

Yet banks were compelled to provide loans for political purposes, and interest rates were controlled, resulting in bad debts and poor profitability. Change was imperative. The restructuring is already showing results. Only three of the public-sector banks are expected to show losses in fiscal year 1995.



D. Basu, chairman, State Bank of India.

banks are now operating in the country, and more are in line to enter the sector). New private Indian banks are being allowed; over two dozen applications have been processed, and seven have begun operations. Branch licensing has been liberalized, and the closure or shifting of branches in major metropolitan areas has been made easier.

Bankers believe that while greater competition will mean some difficulty for the inefficient and weak institutions, the sharp economic upturn will improve opportunities for profitable lending and non-fund business. The country's GDP is expected to grow by 6 percent and industrial output by 10 percent or more by 2000.

Deregulation is also giving banks more freedom to expand into high-growth areas like consumer financing. There is good news here — demand for automobiles and white goods, for example, constrained earlier by heavy taxation and lack of competition, has picked up as a result of reduced taxes and greater choice.

Merchant banking will grow, bankers say, and so



Many believe, India is just people and more people. As a matter of fact, they're right. There's a 250 million middle class, with five times purchasing power. In effect, the world's largest and fastest growing consumer market. That will leave aside a large, highly trained and adaptable labour force. Available at competitive prices. And we haven't even mentioned some of the finest professionals in practically every discipline. Also entrepreneurs. What else? How about a boom capital market with thousands of listed companies and a massive manufacturing sector. Legal and banking systems with English as business language. And beneath the soaring cyberspace, a stable democracy and a committed bank. Export-Import Bank Of India. With you. Every step of the way.

EXPORT-IMPORT BANK OF INDIA
Solutions beyond banking

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38th Year - No. 19,358

PARIS, THURSDAY, MAY 3, 1945

Germany's War Machine Collapses; All in Italy Surrender, Redoubt Gone; Hitler Believed Dead as Berlin Falls

Voice Given To Smaller Countries

Norway, Belgium, South Africa and Venezuela On Parley Commissions

Molotov Yielding To U.S. and Britain

Russian Foreign Chief Soon to Return Home

By the Associated Press

SAN FRANCISCO, May 2.—The United Nations conference delegates have approved without change the assignment of representatives of small nations to head major commissions to draw up peace treaties.

The smaller nations executive committee approved the following delegations: Security Commission, Norway; Commission on Principles and Purposes, Belgium; Commission on General Assembly, South Africa; Commission on World Court, Venezuela.

Vrachas M. Molotov, the Russian Foreign Commissar, has made peace with the American and British opponents at the conference and is preparing to go to Moscow, with the conference completed, organized and ready to do real work.

Molotov Yields to Eden

After a week of debate, it was learned today, Mr. Molotov bowed graciously in defeat to Britain's Anthony Eden, who engineered the formula for the steering and executive committees to be headed by Secretary of State Edward R. Stettinius Jr.

At their last meeting, Mr. Molotov is reported to have said with a smile, "You see, I do it with you."

The British had taken up a point on which another defeat was suffered—an invitation to the Polish provisional government—and is expected to raise the issue at every opportunity.

Russia to Remain

Mr. Molotov has made it plain, however, that while he would not want to be represented there is no Soviet threat to quit the conference over the problem.

Mr. Molotov is expected to leave by this week end and be followed soon by Mr. Eden and Mr. Stettinius Jr. There is full confidence among the delegates that, with modern communications, the world constitution will be completed successfully.

Hannegan Is Appointed As Postmaster General

From the Herald Tribune Bureau

WASHINGTON, May 2.—Frank C. Walker resigned today as Postmaster General. Robert E. Hannegan, chairman of the Democratic National Committee, was appointed to succeed him.

President Truman also named Justice Robert H. Jackson of the Supreme Court as chief American counsel in preparation of charges and prosecution of Axis war criminals.

He also appointed David Lilienthal as director of the Tennessee Valley Authority for another nine years, despite the opposition of Senator Kenneth McKellar, Democrat of Tennessee.

Notice to Readers

Outside of the official American newspaper, "The Stars and Stripes," no paper in Paris yesterday morning published the news of Hitler's reported death. There were no other papers published in Paris yesterday morning.

The Herald Tribune, with some other English papers, was prepared to publish an announcement for that major news development in five years of the war. The printing trade unions, however, stuck rigidly to their agreement with the Paris publishers association that no Paris papers should be published on the May 2nd day.

As a result of a German capitulation, already censored severely and restricted by paper shortage, the French press is further prevented from publishing news by arbitrary agreements by unions and publishers and the Ministry of Information as to what constitutes news.

900,000 Nazis Lay Down Arms In Surrender of North Italy

Unconditional Capitulation Also Includes Western Austria, Area of National Redoubt; Truman Says 'Only Folly' Can Delay Peace

The German armies in Northern Italy and Western Austria surrendered unconditionally yesterday.

About 900,000 Nazi soldiers, including combat and rear service troops, according to an estimate by Field Marshal Sir Harold Alexander, laid down their arms under terms of the surrender.

The capitulation, first by German armies in this war became effective at 2 p.m. Paris time. Allied armies can now advance unhampered to within ten miles of Berchtesgaden.

President Truman, announcing the collapse of German resistance in North Italy at an unscheduled news conference in Washington, said:

"Only folly and chaos can now delay the general capitulation of the everywhere defeated German armies."

The Allies, following up terms of the surrender were signing Sun—the southwest of all forces under his command or control on land, sea or air to the Supreme Allied Commander in the Mediterranean.

Signatories were Lieutenant General W. D. Morgan, representing Field Marshal Alexander, as Allied Mediterranean Supreme Commander, and two German officers, General Hermann Göring, commander of the Luftwaffe, and General Carl Wolf, chief of police and security in North Italy and Adjutant General of the German Supreme Command in the M.T.O.

3—Immediate immobilization and disengagement of enemy ground, sea and air forces.

4—Obligation on the part of the German commander-in-chief in the southwest to carry out any further orders issued by the Supreme Allied Commander in the M.T.O.

5—Obedience of orders or failure to obey them.

(Continued on page 3, col. 3)

Bidault Ranges France on Side Of Big Powers

Churchill Tells In Commons of Italy Victory

Will Not Lead Bloc of Small Nations, But Insists Upon Retaining Soviet Pact

By Marcus Duffield

Special to the European Edition

SAN FRANCISCO, May 2.—The position of France in the United Nations conference was clarified yesterday by the French Foreign Minister, Georges Bidault, who addressed the British House of Commons tonight when Prime Minister Winston Churchill interrupted the debate on domestic affairs and paid a deep tribute to the British 8th and the United States 5th Armies.

"The great victory in the Mediterranean Theater—involving nearly a million prisoners, a record number taken in one operation during the war—was won against the Germans, who had been difficult and depressing at times," the Prime Minister reminded the cheering House. Yet the troops under Field Marshal Sir Harold R. L. G. Alexander and Sir Harry P. G. Alexander and General American soldier, General Mark Wayne Clark," had never

wavered.

Troops Sent to Other Fronts

France will insist, however, that the security organization pursue the continental axis of military cooperation as its own priority.

It will not, however, accept such treaties as the remap of a fortress. "We will not allow one of the great powers to dominate us,"

he said. "France will not object to the Yalta arrangement, which will hold a great power in check.

M. Bidault said France did not like the idea, "which was decided upon by the three great powers,"

of calling the veto of the great powers in the Security Council.

It is certainly not in keeping with the legal ideal which, we do not despair, will some day be established by the great powers for the welfare of the peoples." Nevertheless, "for the moment" we shall raise no objection.

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(Continued on page 3, col. 3)

Truman Asks War-Fund Cut of \$7,500,000,000

Special to the European Edition

WASHINGTON, May 2.—President Truman began today a formal appeal to Congress by recommending V-E Day by

to current appropriations and contract authorizations for the Maritime Commission, showing that the 1946 budget was slashed by \$7,500,000,000.

Finance Minister Bidault said one proposed amendment will seek to "bridge the gap between lightning rapidity of aggression and the timeliness of our response."

The French government, however,

stuck rigidly to their agreement with the Paris publishers association that no Paris papers should be published on the May 2nd day.

As a result of a German capitulation, already censored severely and restricted by paper shortage, the French press is further prevented from publishing news by arbitrary agreements by unions and publishers and the Ministry of Information as to what constitutes news.

Sirens to Sound War End

The end of hostilities will be announced in France by the sirens. The initial air raid signal will be given three times in succession, and then the all-clear signal, also given three times in succession. As soon as the sirens stop, it is reported that Hitler's orders will be discontinued.

It is reported from the Future's

(Continued on page 3, col. 3)

President Thinks Nazi Chief Dead

Doenitz Takes Over, and Ousts Von Ribbentrop As Foreign Minister

Skepticism Shown In Allied Capitals

New Fuhrer Calls for Fight on 'Bolsheviks'

The death of Adolf Hitler in command of Berlin, which was announced with solemn pomp Tuesday night by the German Hamburg radio had not been confirmed by any Allied source, least of all, although President Truman believed Hitler was dead.

A statement by General Dwight D. Eisenhower, while not expressing any opinion on whether Hitler was alive, said bluntly that in any case he had not met his maker.

The statement also took cognizance of Grand Admiral Karl Doenitz's claim to be the new Fuhrer.

President Truman was asked at a press conference if he had any comment on the death of Hitler.

The British garrison defended the town, headed by the chief of Berlin's defense army, General Benito Mussolini, and the German chief of staff, General Joachim von Ribbentrop, who had been captured by the Allies.

The death of Hitler was announced by the German radio, and the British Foreign Office, which had been informed by the British Ambassador to Berlin, General Sir Alexander Cadogan, that Hitler had died.

A statement by General Dwight D. Eisenhower, while not expressing any opinion on whether Hitler was alive, said bluntly that in any case he had not met his maker.

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Canada-Led Group Makes Top Bid for New U.K. Channel

Compiled by Our Staff From Dispatches

LONDON — Four groups of companies, led by Virgin Group, Pearson PLC, CanWest Global Communications Corp. and British Sky Broadcasting Ltd., bid bids Tuesday to operate Britain's fifth television channel. The bids ranged from £36.3 million (\$58 million) to £2 million from the BSkyB group.

The contenders registered their bids with the Independent Television Commission, which regulates broadcasting and will choose the winner in November. The license will run for 10 years.

The group making the highest bid comprises CanWest Global Communications of Canada, Scandinavian Broadcasting System SA, Network 10 of Australia, and SelectTV PLC, an independent British producer.

Virgin, which is bidding with Paramount Television, Philips NV, HTV Group PLC, Associated Newspaper Holdings Ltd. and Electra Investment Trust PLC, offered £22 million.

The Pearson group, which includes MAI Group PLC and Cie. Luxembourgeoise de Télédiffusion, or CLT, also offered £22 million.

(Bloomberg, Reuters, AFP)

The station is due to go on the air by 1997, and about 70 percent of the British population is supposed to be able to receive it. Bidders will have to submit plans for returning video equipment that will clash with the Channel 5 signal.

(Bloomberg, Reuters, AFP)

Christmas Sales Help Sky

BSkyB's third-quarter pretax profit almost doubled as revenue

rose after a strong rise in subscriptions before Christmas, news agencies reported.

The satellite broadcaster, which sold 20 percent of its shares in London and New York in December, said pretax profit rose to \$49 million (\$78 million) in the three months ended March 31 from £24.9 million a year earlier.

Sales jumped to £208 million from £143.4 million.

(Bloomberg, AFX)

repeatedly to new highs. But London, though perkier than a year ago, remains well below its highs, afflicted by a variety of worries.

Among the market's most immediate concerns are the likelihood of a drubbing for the governing Conservative Party in local elections Thursday and an increase by the Bank of England in official interest rates by half a point, to 7.25 percent, Friday. The inflation outlook has not been helped by a sharp decline in the pound against the Deutsche mark.

In the longer term, investors in British stocks remain unconvinced that the government will be able to keep inflation in check, especially with the Conservatives under intense political pressure to reduce taxes and keep interest rates as low as possible in advance of the next general election, which must be held within two years. Still, analysts expect interest rates to keep rising through next year.

On Tuesday, the Financial Times-Stock Exchange index of 100 leading shares closed at 3,248.20, 7.7 percent below its high in

February 1994 of 3,520.3 but 13 percent above its low last year of 2,876.6.

The rest of Britain's economic fundamentals have been nearly ignored by the market.

Last year's growth of 3.9 percent is expected to ease to about 3 percent this year and next as higher interest rates act as a brake. The budget deficit and unemployment both continue to decline, and Britain has nearly wiped out its trade deficit as exports have risen.

With the economy cooking along at its best rate in decades, corporate earnings are surging, seemingly giving investors plenty of reason to buy stocks. But the great question facing the London market is whether investors will put aside their other concerns to bet on continued strong industrial performance, giving the market a chance to rally.

"We're pretty positive on the U.K., and principally on the strength of the corporate sector," said Richard Davidson, a strategist at Morgan Stanley in London. "We're going through a period of excellent cash flow, dividend and earnings growth, but they've been largely ignored by the market caught up in worries about inflation and politics, both of which are overdone at this stage."

Mr. Davidson said British companies were enjoying an average 15 percent profit growth this year, dividend growth of 8 percent and cash flow growth of 10 percent—all on top of strong gains last year, and with solid prospects for the next several years as well.

Moreover, he and other analysts said, next week's likely rate increase and the possibility of even higher rates and increased inflationary pressures are already priced into the market.

Earnings Surging in U.K. But Investor Gloom Holds Market Down

By Richard W. Stevenson
New York Times Service

LONDON — Just before the Federal Reserve reversed course and set American interest rates on an upward path 15 months ago, the London stock market hit a record high. With Britain and the United States at similar stages in the economic cycle, it was not surprising that shares in London, as on Wall Street, then went into a swoon.

Wall Street has since recovered, with the stock market in the last few months surging

repeatedly to new highs. But London, though perkier than a year ago, remains well below its highs, afflicted by a variety of worries.

Among the market's most immediate concerns are the likelihood of a drubbing for the governing Conservative Party in local elections Thursday and an increase by the Bank of England in official interest rates by half a point, to 7.25 percent, Friday. The inflation outlook has not been helped by a sharp decline in the pound against the Deutsche mark.

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Aluminum Aids Norsk Hydro's Net

Compiled by Our Staff From Dispatches

OSLO — Norsk Hydro AS said Tuesday its first-quarter net income more than doubled, paced by profits in the Norwegian energy company's light-metals and agriculture divisions.

Profit rose to 2.16 billion kroner (\$346.2 million) from a re-rated \$877 million kroner in the first quarter of 1994, reflecting new accounting procedures.

Revenue rose to 21.26 billion kroner from 17.14 billion kroner, helped by rising prices for crude oil, petrochemicals and metals, particularly aluminum.

Norsk Hydro shares rose 14.50 kroner, to 268.

"We are very pleased with the first-quarter result," the chief financial officer and executive vice president, Leiv Nergaard, said. "It surpasses our expectations, not least in the light-metals area."

The light-metals division posted an operating profit of 1.34 billion kroner, compared with 246 million kroner in the first quarter last year.

Norsk's operating profit from its oil and gas business

rose to 1.02 billion kroner from \$814 million kroner, partly on a 5 percent increase in oil prices and higher production.

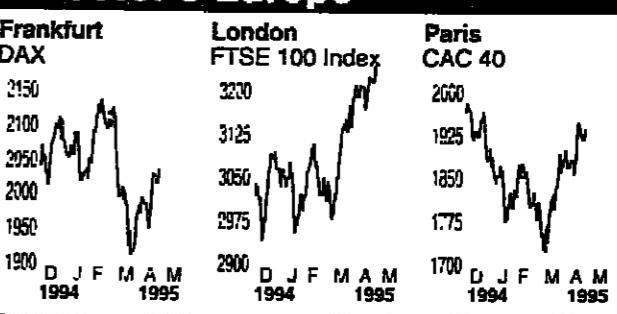
The company said it did not

expect such strong results in subsequent quarters, because the first quarter is usually the strongest, Mr. Nergaard said, moreover, that the first quarter of 1994 was weak in comparison to the full-year result because it only marked the start of the economic upswing.

(Reuters, Knight-Ridder, Bloomberg, AFP)

Source: Telekurs

Investor's Europe



Exchange Index Tuesday Close Prev. Close % Change

Amsterdam EOE 422.50 420.42 +0.49

Brussels Stock Exchange 7,426.23 7,388.03 +0.52

Frankfurt DAX 2,035.92 2,015.94 +0.99

Copenhagen Stock Market 346.27 346.00 +0.08

Helsinki HEX General 1,800.71 1,786.58 +0.79

Oslo OBX 398.68 391.31 +1.88

London FTSE 100 3,248.20 3,220.40 +0.86

Madrid Stock Exchange Closed 248.61 -

Milan MIBTEL 10421 10320 +0.98

Paris CAC 40 1,936.85 1,918.46 +0.96

Stockholm SX 16 1,857.22 1,859.43 +0.47

Vienna ATX 967.56 955.95 +1.21

Zurich SPI 1,713.42 1,697.36 +0.95

Source: Telekurs

International Herald Tribune

Very briefly:

• TI Group PLC said the U.S. government filed a civil complaint against one of the British industrial company's units, alleging it overcharged the U.S. military by \$20 million in a 10-year period.

• Austria's seasonally adjusted unemployment rate rose to 4.5 percent in April from 4.4 percent in March and 4.3 percent in April of last year.

• Wienerberger Baustoffindustrie AG's 1994 earnings more than doubled, to 1.21 billion Austrian schillings (\$124 million), as the economic recovery increased demand for construction materials.

• Investor AB said Peter Sutherland, the former director-general of the General Agreement on Tariffs and Trade, had been nominated to the Swedish conglomerate's board to succeed Jan Carlzon, the former chairman of Scandinavian Airlines System.

• Internationale Nederlanden Groep NV said shareholders could choose to receive one new share for every 40 held in place of a 2.00 guilder (\$1.28) final cash dividend.

• Belgium wants to sell as much as 41.4 percent of its stake in Credit Agricole SA, a Belgian retail bank that has assets of 139 billion Belgian francs (\$4.9 billion).

AFX, Bloomberg, Reuters

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NASDAQ

Tuesday's 4 p.m.
The 1,000 most-traded National Market securities in
terms of dollar value, updated twice a year.
The Associated Press

NYSE

Tuesday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere
The Associated Press.

| NASDAQ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|-----|--|--------|--|------|--|------|--|-----|--|-------------|--|-----|--|-----|--|--------|--|----------|--|------|--|------|--|-------------|--|-----|--|-----|--|--------|--|-------|--|------|--|-----|--|-------------|--|-----|--|
| 12 Month High Low Stock | | Div | | Yld PE | | 100s | | High | | Low | | Latest Chg% | | SIS | | Div | | Yld PE | | 100s | | High | | Low | | Latest Chg% | | SIS | | Div | | Yld PE | | 100s | | High | | Low | | Latest Chg% | | SIS | |
| A-CAT'S | | -1 | | 47 | | 673 | | 134 | | 124 | | 124 | | -1 | | 13 | | 416 | | Enron | | 775 | | 72 | | 70 | | -1 | | 19 | | 5280 | | 637 | | 637 | | -1 | | 22 | | | |
| A-CBRE | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 112 | | Endevco | | 8 | | 4673 | | 124 | | 124 | | -1 | | 32 | | 650 | | 511 | | 511 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | 35 | | 254 | | 254 | | 254 | | -1 | | 24 | | 158 | | Lonestar | | 15 | | 360 | | 50 | | 50 | | -1 | | 33 | | 11519 | | 45 | | 45 | | -1 | | 21 | |
| A-CF | | -1 | | 35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Continued on Page 21

ASIA/PACIFIC

Trend Is Higher For India Exports, But Deficit Grows

Compiled by Our Staff From Dispatches

NEW DELHI — India's trade deficit nearly doubled in the year ended March 31 despite a big jump in exports. Palaniappan Chidambaram, the commerce minister, said Tuesday.

The country posted a trade deficit of \$2.03 billion, up from \$1.04 billion in 1993-94, even

though exports rose more than 18 percent and reached a record level in March.

India exported \$26.22 billion of goods in the year, compared with \$22.17 billion the year before. Exports in March were a record \$2.92 billion, up 31 percent from March 1994.

But imports into India rose 22 percent, to \$28.25 billion. Petroleum imports, which constitute one-fifth of all imports, rose just 1 percent, to \$5.71 billion.

Mr. Chidambaram said the government was not worried about the deficit because exports should grow in the coming years as India completes free-market reforms.

"This deficit is acceptable," he said. "There is no cause for alarm."

He said exports of marine products, basic chemicals, jute and textile products were buoyant in 1994-95, while exports of tobacco, oil meal and rice declined. The United States was the largest importer of Indian goods, taking 19 percent of the country's exports.

Mr. Chidambaram said exports were particularly strong in March because customs authorities had worked 24 hours a day to clear a backlog of shipments before the fiscal year ended.

"The year ended on a very satisfactory note," he said.

The government considers exports a crucial barometer of the health of the overall economy as well as the competitiveness of companies, most of which were shielded for decades by high tariff barriers and quotas.

Since he assumed power in 1991, Prime Minister P.V. Narasimha Rao has rolled back many of the barriers as part of a liberalization program.

Forty-two percent of India's exports in 1994-95 went to the rest of Asia, up from 34 percent three years ago, said Tejendra Khanna, a Commerce Ministry official. Mr. Khanna said Asia could claim 44 percent or 45 percent of India's exports this year because of the strong economic growth in the region.

Fears that the coming monsoon season may not be wet enough for agricultural industries, which make up nearly two-thirds of the economy, also burdened the market.

Lingering fears that Unit Trust of India will begin heavy selling again to meet redemption payments also kept investors on edge.

(Bloomberg, Reuters)

Knight-Ridder, Bloomberg

Stock Index In India Falls 3.77%

Compiled by Our Staff From Dispatches

NEW DELHI — India's benchmark stock index fell to its lowest level in 17 months Tuesday on concerns about the government's stability, the coming monsoon season and the potential for more sales by the country's largest mutual fund.

The Bombay Sensitivity Index, which tracks 30 major stocks on India's largest exchange, fell 118.21 points, or 3.77 percent, to 3015.07, its lowest close since Nov. 1993.

Pressure came from signs that Prime Minister P.V. Narasimha Rao was facing growing opposition within the Congress Party. A meeting of the party next week is expected to make clear Mr. Rao's standing and whether general elections will be held next year or this year.

Fears that the coming monsoon season may not be wet enough for agricultural industries, which make up nearly two-thirds of the economy, also burdened the market.

Lingering fears that Unit Trust of India will begin heavy selling again to meet redemption payments also kept investors on edge.

(Bloomberg, Reuters)

Knight-Ridder, Bloomberg

Hat to Be Passed Around at ADB

By Kevin Murphy
International Herald Tribune

AUCKLAND, New Zealand — The newly rich countries of Asia face mounting pressure to increase their financial backing for the Asian Development Bank, officials and delegates said here Tuesday on the eve of the bank's annual meeting.

Impatience is growing with delays by the United States in meeting its funding commitments to the bank, these officials said. They added that countries within the region would now be lobbied harder to provide more funding of their own for the ADB loan programs targeted for their poorer neighbors in the region.

Washington is reluctant to fully remit \$680 million promised in 1992 to top up the Asian Development Fund, a soft-loan facility reserved for poor member countries.

For the ADB, a 55-member development-finance body that is struggling to improve its overall management when its mission is changing, hesitation by the United States to honor its pledges has sent mixed and worrying signals, delegates said.

"The Americans' stance makes it difficult for the rest of us who push this bank to change to look like we care what happens to it now," said one delegate from a Western country that last year joined the United States in calling for improved performance by the ADB.

At the same time, some of the poor Asian nations that depend heavily on the

ADB fear that many Western donor countries have lost the will to support them.

Washington has pushed hard for the bank to improve its internal management, increase private-sector lending and make a greater effort to support social and environmental programs. The ADB has traditionally specialized in infrastructure lending.

But foot-dragging on actual payment of an estimated \$437 million — while Washington monitors the bank's performance — has jeopardized the soft-loan program through which the bank lends to poorer members for an annual service charge of 1 percent.

Because several other, mostly European, countries link their ADB contributions to U.S. remittances, at least another \$400 million remains outstanding from several other donors.

The delay has also prevented negotiations from starting on the next ADB loan program. Senior bank officials and Western countries have said the program would seek greater support from countries such as Taiwan, Singapore, South Korea and Hong Kong.

As economies that have prospered in the recent years of Asia's overall boom, these countries will be heavily lobbied during the meeting and in coming months to make greater contributions to the bank.

■ Ecological Problems Loom in Asia

The rapidly growing Asia-Pacific region faces a bleak future of air and water

pollution, heavy carbon dioxide emissions and land degradation if reforms are neglected, a senior ADB official said Tuesday, according to a Reuters dispatch.

"Such is the grim picture that we are faced with if economic development in the region is pursued without adequate social and environmental safeguards," Peter Sullivan, vice president of the ADB, said.

He said the region's 7.9 percent average annual economic growth between 1981 and 1990 had been accompanied by significant damage to the environment and widespread poverty.

"More than 700 million people in the region still live in absolute poverty," Mr. Sullivan, who is an American, said. "For the poor simply to survive, they are compelled to take what they can from the land today and lack the means to conserve their natural resources for tomorrow."

The ADB faces a drain on its funds for long-term loans to its poorer members as the bank's richer members such as the United States and Canada tighten their belts and aim to curtail donations.

Mr. Sullivan warned in a speech that the region could only maintain its brisk pace of economic growth if developing nations balanced demand and supply for infrastructure projects and social services aimed at helping the poor.

Major Western donors have pushed to attach stern social and environmental provisions to Asian Development Fund loans, a move that upsets poorer members who see this as internal meddling.

Ostrich Deaths Mystify Australia

Reuters

SYDNEY — A mystery illness has struck Australia's fledgling ostrich industry, killing thousands of valuable chicks, the Australian Ostrich Association said Tuesday.

The deaths were noticed when some of Australia's 500 breeders in New South Wales, Victoria and Queensland reported unusually high mortality rates among chicks — which are worth several thousand dollars each — during the breeding season, which runs from August to May.

Breeders feared an exotic bird disease such as avian influenza or Newcastle disease had slipped through the country's quarantine.

But the executive director of the Australian Ostrich Association, Chris Melham, said testing on several affected properties ruled out a virus. The cause of the deaths has yet to be established.

Since the illness does not appear to be viral, it probably does not pose a threat to the commercial farming of emus, the native Australian cousin of the ostrich.

The industry was coming under fire for posing a threat to commercial poultry and wild birds but the tests were negative," Mr. Melham said. He said he hoped a survey of Australian breeders underway at the moment would shed further light on the illness.

Mr. Melham said evidence "pointed more and

more to management practices, such as feeding management."

Australia's ostrich industry, which is still in its early stages, is aiming to emulate the success of ostrich farming in South Africa and the United States.

Mr. Melham said there were 35,000 of the large flightless birds in Australia.

He said the flock was growing rapidly as newcomers invested in the birds, which are capable of surviving the dry weather conditions prevalent in much of Australia.

The meat of ostriches, which average 2.5 meters (8 feet) tall and weigh as much as 120 kilograms (264 pounds), is relatively low in cholesterol and high in protein, compared with most red meat and poultry. The meat sells locally for as much as 40 Australian dollars (\$29) a kilogram, and a pair of breeding ostriches currently sell for between 60,000 dollars and 120,000 dollars.

The industry in Australia wants to build its flock to 200,000 birds by 2000.

Andrew Youngberry, a breeder from Eden Farms near Toowoomba, Queensland, said farmers whose crops and livestock had been devastated by drought have been key investors in the ostrich industry, which has grown rapidly in the past five years.

Plastics Help Lift ICI Australia Net

Compiled by Our Staff From Dispatches

MELBOURNE — ICI Australia Ltd. nearly doubled its dividend Tuesday after posting a 64 percent rise in first-half profit amid a recovery in its plastics division and higher sales of chemicals.

ICI Australia, which is 62.6 percent-owned by Imperial Chemical Industries PLC of Britain, said net profit for the six months ended March 31 rose to 124.9 million Australian dollars (\$90.7 million) from 76.4 million dollars. Sales rose 9 percent, to 1.61 billion dollars.

Shares in ICI Australia closed 28 cents higher at 10.28 dollars. The company raised its interim dividend to 20 cents a share from 11 cents a share a year earlier.

(Bloomberg, Reuters)

Investor's Asia



Source: Telekurs

International Herald Tribune

Very briefly:

- Unilever Group is considering buying the Pacific Brands food business from Pacific Dunlop Ltd.; analysts value the business as much as 1.2 billion Australian dollars (\$871 million).
- Sum Home Kai Properties Ltd. agreed to lead a commercial complex in Guangzhou in southern China; the project's cost has been put at 1 billion Hong Kong dollars (\$129.2 million).
- Grand Orient Holdings' major shareholder, Goodwill International Holdings Ltd., will sell its 34.9 percent stake in Grand Orient to New Concept Technologies International Ltd. for 143.5 million Hong Kong dollars.
- China International Trust & Investment Corp. promoted Qin Xiao to president and executive director; Wang Jun was appointed chairman, replacing Wei Mingyi, who retired.
- Merrill Lynch & Co. is reported to be seeking a Chinese partner to set up a joint-venture investment firm in China.
- China's western oil fields performed better than those in eastern China, which had stable or slumping production in the first quarter.
- India's northeast is expected to show sharply reduced tea production in the first four months of 1995 because of drought, particularly around Darjeeling.
- Pohang Iron & Steel Co., South Korea's largest steelmaker, plans to issue \$250 million of 10-year bonds in the United States this month; Morgan Stanley & Co. is to be the lead manager.
- South Korea and the United States are to meet in Geneva this week for talks on Seoul's restrictions on imported farm products.
- Perusahaan Otomobil Nasional Bhd., or Proton, plans to buy Australian parts to reduce the cost of its cars in Australia, where the Malaysian carmaker began marketing its cars this week.
- Bruno Grollo, an Australian property developer, unveiled plans for the world's tallest building. Mr. Grollo wants to build the 500-meter (1,632-foot) tower in Melbourne and is considering tapping the stock market for funding.

AFP, AP, Knight-Ridder, Reuters

Japan Cuts Cloth Imports

Compiled by Our Staff From Dispatches

JAKARTA — Japan's ambassador here said Tuesday that textile imports from Indonesia would be limited to protect Japanese producers.

"Large imports of Indonesian textiles could damage small and poor industries in Japan," Taizo Watanabe said.

He said officials from Tokyo would confer with Indonesians involved before action was taken about three months from now.

Japan announced last weekend that it was investigating imports of cotton yarn, poplin and broadcloth from Indonesia, China and South Korea.

Japan imported \$189.4 million of textiles from Indonesia last year, compared with \$1.66 billion from China and \$586.1 million from South Korea.

Separately, 21 semiconductor companies in Japan promised to buy more than \$128 million of semiconductor products from Taiwan within the next year, the Sino-Japanese Economic and Trade Foundation said.

The orders were promised during a round of trade talks between semiconductor firms in Taiwan and Japan, a foundation spokesman said.

Tokyo Denies Credit Firm Will Close

Bloomberg Business News

TOKYO — Noshiro Credit Union, a small institution in northern Japan, facing financial difficulty and has obtained financial support from an industry association; officials at the Finance Ministry and the Bank of Japan said Tuesday.

The officials denied a report in the Yomiuri newspaper that Japan's monetary authorities had decided to let the indebted credit union be liquidated using public money.

The newspaper reported Tuesday that the Finance Ministry and the Bank of Japan had decided to let the credit union go bankrupt because of its large volume of bad loans.

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PETER CATRANIS SENIOR CURRENCY TRADER

Mr. Catranis is an 18 year veteran currency trader. He has authored numerous publications and software programs for beginners and experts alike. He has researched hundreds of currency programs and transacted billions of dollars in real-time trade. Currently he is accepting a limited number of new accounts. Account minimums \$10,000 to \$5,000,000 USD, depending on the program.

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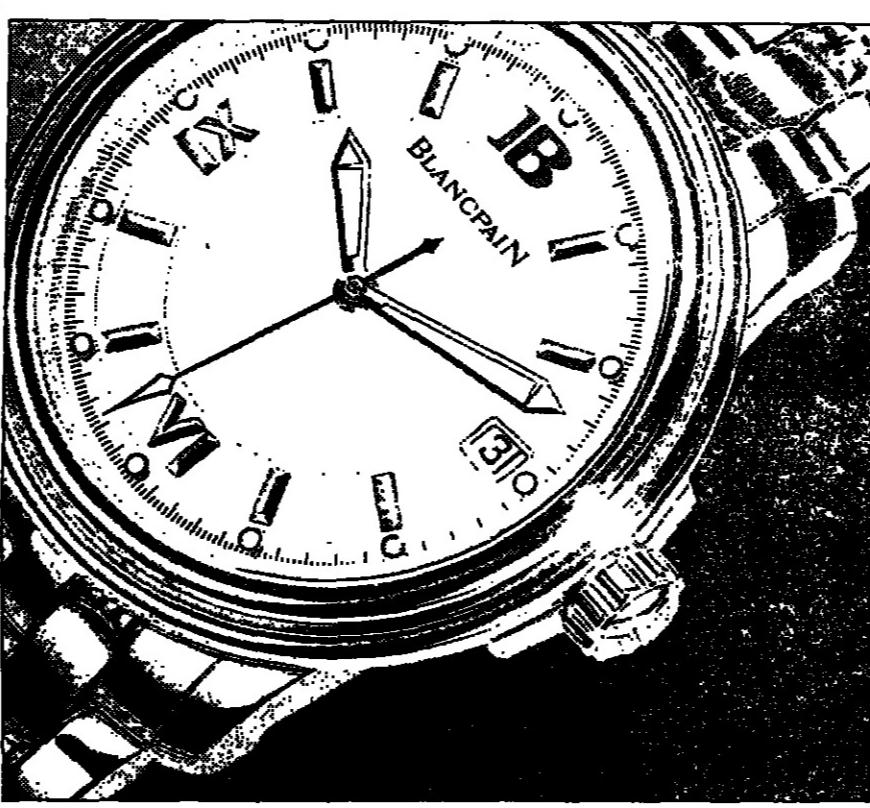
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NYSE

Tuesday's 4 p.m. Close
(Continued)



100 hours power reserve - 100 meters water-resistant - 100 days of testing

SPORTS

Battle for Rugby Is Fully Joined

Reuters

LONDON — The battle has begun in earnest for control of rugby football, which was split two centuries ago into two branches in France and Papua New Guinea.

Money was the issue in 1895, when a group of northern England clubs left the amateur Rugby Football Union to set up the professional rugby league.

By a twist of fate, which the northern rebels would have appreciated, Huddersfield was the venue last weekend for the latest developments in an extraordinary month for both the rugby league and rugby union codes.

After six hours of talks Sunday, the chairman of Britain's rugby league clubs emerged to announce the structure of the new, multimillion-dollar European Super League, the audacious creation of the media mogul Rupert Murdoch.

Murdoch has, in effect, hijacked rugby league, until now a sport played in the north of England, Australia and New Zealand, with a small following in France and Papua New Guinea.

The Super League, featuring 11 British clubs and one from Paris, will be shown exclusively on Murdoch's Sky television, and the matches played in summer instead of winter.

In addition, Murdoch is locked in a bitter court battle with a fellow media tycoon, Kerry Packer, for control of the game in Australia, with Packer backing the official Australian Rugby League and Murdoch trying to begin his own pay television competition.

This by no means represents the end of Murdoch's ambitions for rugby.

Ken Cowley, chief executive of Murdoch's News Corp. Ltd.'s Australian subsidiary, has talked of a global competition involving teams from Australia, England and New Zealand and said it was hoped to expand into South Africa, Europe and North America.

In both concept and design, Murdoch's venture echoes Packer's World Series of cricket 18 years ago, when the Australian entrepreneur signed up the majority of the world's top players after he had been denied the rights to broadcast official tests.

World Series cricket lasted only two seasons before the Australian authorities effectively surrendered by giving Packer his television rights, but the aftermath lingered to this day.

Supporters of the Packer initiative, who, significantly, in-



Jason Little (left) and Tim Horan, both seriously injured during last year's Super 10 competition in South Africa, were selected Tuesday for the Australian team that will defend its World Cup title in the tournament that begins in South Africa this month.

Head of IRFB Seeks Change

Reuters

FONT ROMEU, France — The International Rugby Football Board's president, Bernard Lapasset, said Tuesday the rules on amateurism in rugby union were being flouted and were no longer tenable.

But Lapasset, who is also president of the French Rugby Federation, said there was not enough money in the game to support out-and-out professionalism.

"We must stop being hypocritical," he said in this Pyrenees mountain resort, where France's team is preparing for the World Cup finals. "Money is a part of the development of the game.

"The rules of the board have been flouted and are no longer tenable. We have to find new rules."

Lapasset said he was against full professionalism because small but traditionally strong federations, such as Scotland, Wales and Ireland, would be at a disadvantage and because he felt the sport lacked the necessary financing.

"Rugby is not so developed on a world scale that it could opt for the professionalism seen in other sports such as soccer," he said. "We're hearing figures being talked about now which are out of all proportion to the reality of rugby."

Lapasset pointed out that the budget of the whole French federation, about 250 million francs (\$50 million) a year, was the same as that of just one French soccer club, Paris St. Germain.

Still, he added, the sport could not stand still in the face of the rising challenge posed by the influx of money into the game.

"If we do nothing, rugby will be in danger," he said. "But at the same time we have to preserve the specific nature and the traditions of the sport."

clude most of the players who signed on for the rebel series, say cricketers now earn realistic wages, playing standards have been raised throughout the smaller cricketing nations and the length of top players' careers has been extended significantly.

Critics say the game's soul has been sold to the marketing men, with far too many five-day test matches and one-day games scheduled in an effort to make as much money as possible.

Revolutionary as it was at the time, the Packer experiment seems almost timid compared to the Murdoch coup.

Already there have been reports from Sydney that Australian union officials have made

overtures to the Murdoch organization, exploring the possibility of securing money for a game they believe intrinsically superior to league.

The rugby union code is still ostensibly amateur three weeks before the third World Cup kicks off in South Africa, although it is certain that open payments to players will begin soon afterward, regardless of whatever decision the International Rugby Football Board reaches at a special meeting called for this August in Paris to discuss professionalism.

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SCOREBOARD

Major League Standings

| AMERICAN LEAGUE | | | | | | |
|-----------------------------|---------------|---------------|------------------|------------------|---------------|------|
| | East Division | West Division | Central Division | East | West | |
| W | L | Pct. | W | L | Pct. | |
| New York | 4 | 2 | .667 | 5 | 2 | .714 |
| Boston | 3 | 2 | .600 | 4 | 3 | .571 |
| Toronto | 3 | 3 | .500 | 1 | 4 | .250 |
| Detroit | 2 | 3 | .400 | 2 | 4 | .333 |
| Baltimore | 1 | 4 | .200 | 3 | 5 | .375 |
| East | | | | | | |
| Milwaukee | 2 | 2 | .500 | 1 | 4 | .250 |
| St. Louis | 1 | 7 | .143 | 2 | 6 | .250 |
| Seattle | 1 | 7 | .143 | 1 | 7 | .143 |
| Baltimore | 1 | 7 | .143 | 1 | 7 | .143 |
| Atlanta | 1 | 7 | .143 | 1 | 7 | .143 |
| West | | | | | | |
| Seattle | 1 | 7 | .143 | 1 | 7 | .143 |
| California | 3 | 2 | .600 | 1 | 7 | .143 |
| Texas | 2 | 4 | .333 | 2 | 4 | .333 |
| Oakland | 1 | 4 | .200 | 3 | 5 | .375 |
| NATIONAL LEAGUE | | | | | | |
| Atlanta | 4 | 1 | .800 | 1 | 7 | .143 |
| Montreal | 3 | 2 | .600 | 1 | 7 | .143 |
| Philadelphia | 2 | 2 | .500 | 1 | 7 | .143 |
| New York | 1 | 4 | .200 | 3 | 5 | .375 |
| East | | | | | | |
| Atlanta | 4 | 1 | .800 | 1 | 7 | .143 |
| Montreal | 3 | 2 | .600 | 1 | 7 | .143 |
| Philadelphia | 2 | 2 | .500 | 1 | 7 | .143 |
| New York | 1 | 4 | .200 | 3 | 5 | .375 |
| Central | | | | | | |
| Chicago | 4 | 1 | .800 | 1 | 7 | .143 |
| St. Louis | 3 | 2 | .600 | 1 | 7 | .143 |
| Houston | 2 | 3 | .400 | 2 | 4 | .333 |
| Pittsburgh | 1 | 4 | .200 | 3 | 5 | .375 |
| Cincinnati | 0 | 5 | .000 | 4 | 1 | .800 |
| West | | | | | | |
| Colorado | 5 | 1 | .833 | 1 | 7 | .143 |
| San Diego | 4 | 2 | .667 | 1 | 7 | .143 |
| Los Angeles | 3 | 3 | .500 | 2 | 4 | .333 |
| San Francisco | 3 | 3 | .500 | 2 | 4 | .333 |
| Japanes Leagues | | | | | | |
| Central League | | | | | | |
| Yokohama | 15 | 5 | .750 | 7 | 2 | .833 |
| Yokohama | 9 | 6 | .563 | 5 | 7 | .471 |
| Yomiuri | 19 | 9 | .692 | 5 | 7 | .471 |
| Hiroshima | 9 | 9 | .500 | 5 | 7 | .471 |
| Chunichi | 10 | 10 | .500 | 5 | 7 | .471 |
| Chunichi | 6 | 14 | .300 | 5 | 7 | .471 |
| Japanes Leagues | | | | | | |
| Monday's Line Scores | | | | | | |
| AMERICAN LEAGUE | | | | | | |
| Toronto | 110 | 68 | .600 | 2 | 6 | .333 |
| Boston | 80 | 68 | .600 | 3 | 5 | .600 |
| Seattle | Smith (9) | Alexander | Cone, Cox (8) | Beane, Smith (2) | W.-Beane, 1-0 | |
| NATIONAL LEAGUE | | | | | | |
| Atlanta | 4 | 1 | .800 | 1 | 7 | .143 |
| Montreal | 3 | 2 | .600 | 1 | 7 | .143 |
| Philadelphia | 2 | 2 | .500 | 1 | 7 | .143 |
| New York | 1 | 4 | .200 | 3 | 5 | .375 |
| Central | | | | | | |
| Chicago | 4 | 1 | .800 | 1 | 7 | .143 |
| St. Louis | 3 | 2 | .600 | 1 | 7 | .143 |
| Houston | 2 | 3 | .400 | 2 | 4 | .333 |
| Pittsburgh | 1 | 4 | .200 | 3 | 5 | .375 |
| West | | | | | | |
| Colorado | 5 | 1 | .833 | 1 | 7 | .143 |
| San Diego | 4 | 2 | .667 | 1 | 7 | .143 |
| Los Angeles | 3 | 3 | .500 | 2 | 4 | .333 |
| San Francisco | 3 | 3 | .500 | 2 | 4 | .333 |
| Japanes Leagues | | | | | | |
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| Yokohama | 15 | 5 | .750 | 7 | 2 | .833 |
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| Seattle | Smith (9) | Alexander | Cone, Cox (8) | Beane, Smith (2) | W.-Beane, 1-0 | |
| NATIONAL LEAGUE | | | | | | |
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| New York | 1 | 4 | .200 | 3 | 5 | .375 |
| Central | | | | | | |
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| Houston | 2 | 3 | .400 | 2 | 4 | .333 |
| Pittsburgh | 1 | 4 | .200 | 3 | 5 | .375 |
| West | | | | | | |

WEDNESDAY, MAY 3, 1995

PAGE 23

Knicks and Lakers Go to 2-1 in Series

The Associated Press
For the last few, agonizing seconds, all the New York Knicks could do was stand and watch.

"I was standing under the basket and I was thinking, 'Please miss it, please miss it, please miss it,'" John Starks said.

NBA PLAYOFFS

Monday night after the visiting Knicks survived Danny Ferry's 3-point shot and held off the Cleveland Cavaliers, 83-81.

New York took a 2-1 lead in the best-of-5 series and can wrap it up by winning again Thursday night at Gund Arena.

Patrick Ewing had 23 points, 10 rebounds and six blocks.

Charles Smith scored 15 points and Anthony Mason 14 for the Knicks. Mark Price, who led Cleveland with 21 points, was 16 for 16 from the foul line, and one away from tying the NBA playoff record for most free throws without a miss.

But it all came down to Ferry, who got loose near the top of the key for one last shot at the end of a brutal fourth quarter that saw 35 free throws taken. His 3-pointer, however, ricocheted off the rim just before the horn sounded.

"I thought it was there," Ferry said. "The play worked absolutely perfectly. The shot felt good. Everything went well, except it didn't go in. It wasn't a shot where I knew I absolutely buried it, but I really thought I had made it."

The Cavs got Ferry open by having Price dribble near the 3-point arc, drawing defender Derek Harper and Anthony Mason with him. Price then passed back to Ferry, a reserve who had made two consecutive 3s in the third quarter.

"We trapped Price, but we wanted to switch and not leave anyone open," said the Knicks' coach, Pat Riley. "That was something that could have cost us dearly."

In a game between teams reeled 1-2 in the league in fewest points allowed this season, nearly every shot was contested, many pass challenged. And by the fourth quarter, both were usually willing to let the other shoot free throws rather than get off a decent shot.

Thirteen of the Knicks' last 17 points came on free throws, as did 12 of the Cavaliers' last 14.

Harper put the Knicks, now 3-0 at Cleveland's Gund Arena, ahead for good when he made two free throws for an 81-79 edge with 36 seconds left, and Price then committed a turnover, losing control of the ball while dribbling near midcourt under only moderate pressure from the Knicks.

That forced the Cavs to foul, and although Ewing and Starks each went 1 for 2 from the line, the Cavaliers never caught up.

"To simplify things, we have to make some shots," said their coach, Mike Fratello. "When you shoot just under 33 percent, it makes it very hard to win. Give New York credit for the defensive effort. They certainly had something to do with us shooting that percentage."

The Knicks now have won their last six road games against the Cavs, and all three this year at new Gund Arena.

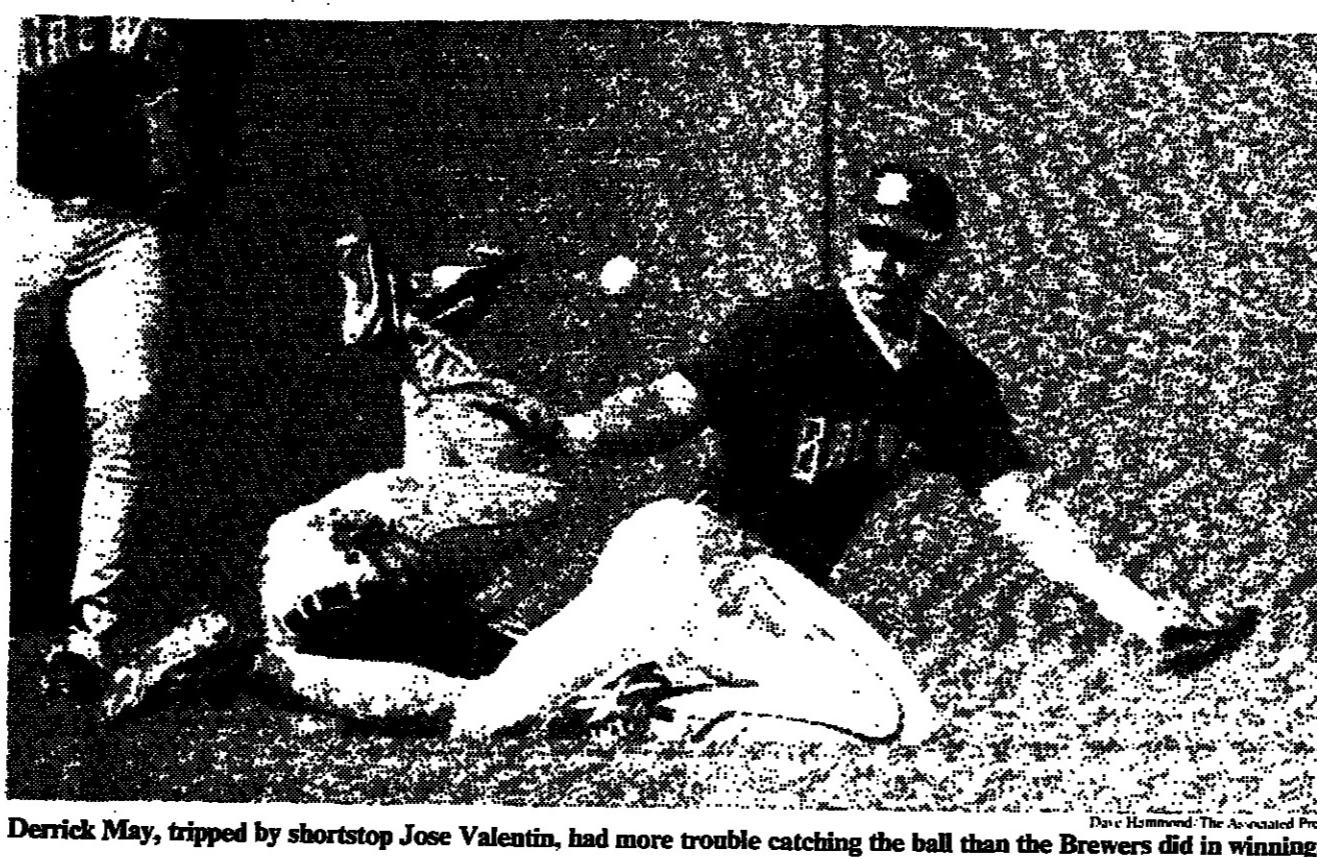
Lakers 105, SuperSonics 101: Los Angeles is one victory away from handing Seattle another first-round playoff defeat.

The Sonics, who lost to eighth-seeded Denver as the top seed in the West a year ago, must win Thursday night in Inglewood and Saturday in Tacoma to avoid another upset. The Lakers are fifth-seeded this season, the Sonics fourth-seeded.

Cedric Ceballos scored 24 points, Nick Van Exel 23 and Vlade Divac 20 for the Lakers, who led by as many as 18 points in the first half.

"We got shocked early," said the Sonics coach, George Karl. "Our fight didn't start until we got 15-18 points down."

Shawn Kemp led the Sonics with 30 points and 11 rebounds, Gary Payton added 20 points, while Detlef Schrempf had 19 and Sam Perkins 18.



Derrick May, tripped by shortstop Jose Valentin, had more trouble catching the ball than the Brewers did in winning.



Charles Smith was bedeviled by the Cavaliers' John Williams (left) and Tyrone Hill in a game that saw many fouls.

SIDELINES

Umpires Back at Work Wednesday

WASHINGTON (WP) — The major league umpires, having agreed to a five-year deal, are to be back on the field Wednesday.

The Ontario labor board's ruling, that the province's anti-replacement-worker law applied to the dispute, served as the catalyst: Replacement umpires would not have been permitted to work in the Toronto Blue Jays' stadium beginning May 9.

The umpires, originally seeking a pay raise of about 60 percent, ended up with an increase of about 25 percent. Their base salaries will be between \$75,000 and \$225,000, based on seniority, with increases in their bonus packages for working playoff, World Series and All-Star games.

Adams Sets Small-Boat BOC Record

CHARLESTON, South Carolina (AP) — David Adams of Australia aboard the yacht True Blue, won the small boat division of the BOC Challenge in record time, although it took him five hours to cover the last mile when the wind died and the tide ebbed.

His time of 131 days, 5 hours, 6 minutes and 39 seconds was more than 10 days better than the old record duration. He will receive \$50,000 for the victory.

"We were a mile away and then we ended up two miles away," he said. "I kept looking at the sky and asking 'What have I done?'"

For the Record

Dikembe Mutombo, the Denver Nuggets' 7-foot-2 center who led the NBA in blocks and was second in rebounding, won the league's defensive player of the year award.

(AP)

Japanese Pitcher Ready for Debut

The Associated Press

SAN FRANCISCO — He's got a quirky throwing motion, 90 mph fastballs and a wicked forkball, and is an international superstar before pitching his first major-league game.

Hideo Nomo was scheduled to become the first Japanese native in three decades to play in the major leagues when he started Tuesday for the Los Angeles Dodgers against the San Francisco Giants.

The Giants had issued about 100 extra press credentials for the game, to be broadcast live on Japanese radio and TV — at 4:30 A.M. Wednesday. Monday, as he warmed up in the bullpen, camera shutters clicked continuously.

"I'm not nervous at all," Nomo said through an interpreter. "Since it's my first time, I'll throw as hard as I can. I know that there is (Barry) Bonds and (Matt) Williams, but I feel just the same."

It's been a tough season, there's no question," the Canadiens' coach, Jacques Demers, admitted after the 2-0 defeat.

And while Buffalo clinched a playoff berth, the Boston Bruins grabbed home-ice advantage and Edmonton and Winnipeg joined Montreal on the extended vacation line.

The last time the Canadiens missed the playoffs was 1970, when they came to the final game needing to score five goals and lost, 10-3, to the Chicago Black Hawks.

The Canadiens end their season at home Wednesday in a meaningless game against Boston. But it's been on the road where they have had their problems, finishing this season with a 3-18-3 away record.

Richard Smelek scored 3:59 into the game, and the Sabres' goaltender, Dominik Hasek, made it stand up by stopping 32 shots for his fifth shutout of the season. Alexander Mogilny

Baylor. "We'll take them any way we can get them."

Mike Kingery followed with another run-scoring single that skipped by a drawn-in infield. Joe Girardi then hit a two-run single and Jason Bates singled

NL ROUNDUP

in a run as the Rockies broke out of a first-place tie with the Padres in the NL West.

Starters Andy Benes and Bill Swift, two of the NL's best pitchers, matched scoreless innings until the sixth when Matt Williams added three hits and Los Angeles helped out with four errors in one inning.

Cardinals 4, Pirates 0: Ken

Hill, who struggled on opening night, held Pittsburgh to five hits in seven innings and singled in a run in a three-run second.

The Rockies countered with three runs in their half. Pinch-hitter John Vander Wal led off with a double and Weiss walked and Ken Caminiti hit a two-run opposite-field homer.

The Rockies countered with three runs in their half. Pinch-hitter John Vander Wal led off with a double and Weiss walked. Bichette then homered to the opposite field, his second

The result wasn't pretty, but it bloop single, off a low-and-away fastball thrown by Willie Blair, scored Walt Weiss with the first run of a five-run eighth inning that ended the San Diego Padres' four-game winning streak, 8-3, on Monday night.

"It may have been a flare to right, but it looks like a line drive in the box score," said

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The Pirates have scored a major-league low eight runs in five games and were 1-for-27 with runners in scoring position after going 0-for-4 Monday night.

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Hill, who struggled on opening night, held Pittsburgh to five hits in seven innings and singled in a run in a three-run second.

The Rockies countered with three runs in their half. Pinch-hitter John Vander Wal led off with a double and Weiss walked. Bichette then homered to the opposite field, his second

The result wasn't pretty, but it bloop single, off a low-and-away fastball thrown by Willie Blair, scored Walt Weiss with the first run of a five-run eighth inning that ended the San Diego Padres' four-game winning streak, 8-3, on Monday night.

OBSERVER

Line 'em Up and Shoot

By Russell Baker

NEW YORK — "Line 'em all up against the wall and shoot 'em" was my Uncle Gregory's unvarying advice for handling people who ruffled the public calm.

Whether they were unemployed malcontents whose picket line inconveniences him or political hotheads whose anti-government insolence outraged his sense of patriotism, it did them no good to beg Uncle Gregory for mercy.

"What they ought to do is line 'em all up against the wall and shoot 'em," he shouted.

Uncle Gregory had never shot a soul, much less whole squadrons of humanity. He was white-collar desk labor and well-heeled by Depression standards.

He had a car with a rumble seat and money so plentiful he could afford restaurants with potted palms where waiters wore tuxedos and live musicians played for diners fox-trotting between courses.

This last I saw with my own eyes and shall never forget. Its splendor equipped me to visualize many years later the elegant Parisian world of Proust's *Duchesse de Guermantes*.

Family rumor had it that Uncle Gregory made \$5,000 a year. This was Aladdin's wealth in 1937, and when I had aged into the wisdom of 25-year-olds I evolved theories to explain why a man so rich should have yearned to see so many shot.

The Marxian explanation wouldn't do. At 25 I knew that \$5,000 a year even in 1937 did not a Morgan partner make.

Later I thought maybe he had just been infected by the style of the times. From the 1914 war in Europe to the other day in

New York Times Service